



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

COMBINED AUTHORITY BOARD

Date: Wednesday, 25 January 2023

Democratic Services

Edwina Adefehinti
Interim Chief Officer Legal and Governance
Monitoring Officer

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

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

AGENDA

Open to Public and Press

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COVID-19

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

The Combined Authority Board comprises the following members:

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

Mayor Dr Nik Johnson

Alex Plant

Councillor Anna Bailey

Councillor Chris Boden

Councillor Sarah Conboy

Councillor Wayne Fitzgerald

Councillor Lucy Nethsingha

Councillor Anna Smith

Councillor Bridget Smith

Councillor Edna Murphy (Non-voting Member)

Darryl Preston (Non-voting Member)

Jan Thomas (Non-voting Member)

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



**CAMBRIDGESHIRE
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Agenda Item No: 1.2

Combined Authority Board and Committee Membership Update: January 2023

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 January 2023

Public report: Yes

Lead Member: Lead Member for Governance, Cllr Edna Murphy

From: Edwina Adefehinti, Deputy Monitoring Officer

Key decision: No

Recommendations: The Combined Authority Board is recommended to:

- a) Ratify the appointments by South Cambs District Council of Cllr Natalie Warren-Green as the member and Cllr Peter McDonald as the substitute on the Skills Committee for the remainder of the municipal year 2022/23.
- b) Ratify the appointment by South Cambs District Council of Cllr Brian Milnes as the substitute member for Transport and Infrastructure Committee for the remainder of the municipal year 2022/23.
- c) Ratify the appointments by Peterborough City Council of Cllr Marco Cereste as the member and Cllr Jackie Allen as the substitute on the Housing Committee for the remainder of the municipal year 2022/23.
- d) Note the appointment by Peterborough City Council of Cllr Sainsbury as the substitute on the Combined Authority Board for the remainder of the municipal year 2022/23.

- e) Note the appointment by South Cambs District Council of Cllr John Williams as the substitute member for the Employment Committee for the remainder of the municipal year 2022/23.
- f) Note the appointment by Cambridgeshire County Council of Cllr Michael Atkins as the substitute member for the Audit and Governance Committee for the remainder of the municipal year 2022/23.

Voting arrangements:

- a-c) Simple majority of members present and voting
- d-f) Note only

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

1. Purpose

- 1.1 The report advises the Board of amendments to the membership of the Skills, Transport and Infrastructure and Employment Committees from South Cambs District Council.

2. Background

- 2.1 In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, each constituent council must appoint one of its elected members and a substitute member to the Combined Authority Board. The Combined Authority has been advised that Peterborough City Council has appointed Councillor Sainsbury as its substitute member for the remainder of the 2022/23 municipal year.

- 2.2 The revised membership is set out in the table below:

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

South Cambridgeshire District Council has advised that it has appointed Cllr Natalie Warren-Green as the member and Cllr Peter McDonald as its substitute member on the Skills Committee, Cllr Brian Milnes as the substitute member on the Transport and Infrastructure Committee and Cllr John Williams as the substitute member for the Employment Committee.

- 2.4 Peterborough City Council has advised that it has appointed Cllr Marco Cereste as the main member and Cllr Jackie Allen as the substitute member on the Housing and Communities Committee.
- 2.5 Cambridgeshire County Council has advised it has appointed Cllr Michael Atkins as the substitute member for the Audit and Governance Committee.
- 2.6 The Monitoring Officer has delegated authority to accept changes to membership of committees notified by Board members during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

Significant Implications

3. Financial Implications

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

4. Legal Implications

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

5. Public Health Implications

- 5.1 None

6. Environmental and Climate Change Implications

- 6.1 Neutral

7. Other Significant Implications

- 7.1 None



**CAMBRIDGESHIRE
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Cambridgeshire and Peterborough Combined Authority: Minutes

Date:	Wednesday 30 November 2022
Time:	10.03am – 3.06pm
Venue:	Civic Suite, Pathfinder House, Huntingdon PE28 3TN
Present:	Councillor A Smith (Statutory Deputy Mayor) Cambridge City Council, Councillor S Allen – Peterborough City Council, Councillor A Bailey – East Cambridgeshire District Council, Councillor J French – Fenland District Council (10.31am to 1.45pm), Councillor L Nethsingha (Non-Statutory Deputy Mayor) – Cambridgeshire County Council, A Plant - Chair of the Business Board, Councillor T Sanderson – Huntingdonshire District Council and Councillor B Smith – South Cambridgeshire District Council
Co-opted Members: (non-voting)	Councillor E Murphy – Fire Authority, J Peach – Deputy Police and Crime Commissioner (to 1.45pm) and J Thomas, Integrated Care Partnership
Apologies:	Mayor Dr Nik Johnson, Councillor C Boden (substituted by Councillor J French), Councillor S Conboy (substituted by Councillor T Sanderson), Councillor W Fitzgerald (substituted by Councillor S Allen) and Police and Crime Commissioner D Preston (substituted by Deputy Police and Crime Commissioner J Peach)

Part 1 - Governance items

296. Announcements, apologies for absence and declarations of interest

The Statutory Deputy Mayor stated that she would be discharging the Mayor's duties while he took a leave of absence following a medical procedure. The Board and those present joined her in wishing the Mayor a speedy recovery.

The Statutory Deputy Mayor stated that she had only recently been appointed to this role, taking over from Councillor Lewis Herbert. Councillor Herbert had been an integral part of the Combined Authority since the earliest discussions of a Devolution Deal for

the area, and had served as a member of the Board since it was established in 2017. He had chaired the Combined Authority's Housing and Communities Committee for the past year, and would remain a substitute member of the Board. In October, Councillor Herbert's contribution to local government had been recognised with a lifetime achievement award at the National Councillor Awards. The Statutory Deputy Mayor placed on record the Board's thanks to Councillor Herbert for his service and commitment to the Combined Authority.

297. Combined Authority Board and Committee Membership Update

The Board reviewed a number of changes to committee memberships notified by constituent councils. Acting in place of the Mayor, the Statutory Deputy Mayor nominated Councillor Bridget Smith as Chair of the Housing and Communities Committee for the remainder of the 2022/23 municipal year.

With the consent of the meeting it was resolved unanimously to:

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

298. Minutes – 19 October 2022 and minutes action log

The minutes of the meeting on 19 October 2022 were approved as an accurate record and signed by the Statutory Deputy Mayor.

The Action Log was reviewed, and clarification sought around the undertaking given at the previous meeting that the Bus Service Improvement Plan (BSIP) report due to go to the Transport and Infrastructure Committee (TIC) in November would subsequently be brought to the Board. Officers stated that the TIC discussion had focused on the draft Bus Strategy and that the BSIP would be taken to TIC and the Board at a later date. A timeline on the BSIP was requested. **Action required**

An update was requested on the action which had been taken to resolve the issues around bus timetabling and provision of replacement bus services (minute 270 refers). Officers suggested this was discussed under the Bus Strategy item (minute 311 refers).

Officers undertook to review the action log to ensure that all actions identified in the minutes of the October meeting had been addressed. **Action required**

299. Petitions

No petitions were received.

300. Public questions

Three public questions were received. These were from Lily Rivers, a local resident; Robin Sutton, representing Friends of the Manor; and Richard Parkinson, a local resident. A copy of the questions and responses can be viewed [here](#).

Councillor Boden had sent apologies for the meeting and provided a written response to the question addressed to him outside of the meeting.

Part 2 – Improvement Plan

301. Combined Authority Monthly Highlights Report: November 2022

The Combined Authority monthly highlights report was being introduced as a standing agenda item to provide an overview across the range of CPCA business. Some business as usual activity had been included as context, together with an update on the work of the M10 mayoral combined authorities' group and the Local Transport and Connectivity Plan (LTCP). Activity was underway to try to reinvigorate Government interest in the Ely Area Capacity Enhancements and future reports would contain more information around promotion and lobbying opportunities. The Chief Executive invited informal feedback on the content of the report outside of the meeting.

Board members described the report as a helpful addition to the agenda, which demonstrated the value and value added being delivered by the CPCA.

The Board's attention was drawn to the opening of a new training building in Chatteris earlier in the week which had been supported in part by Business Board funding. Its success would in part be dependent on people being able to access it, which would be significant for the CPCA bus strategy.

It was resolved to:

- a) Note the content of this report.

302. Improvement Plan Update

The report set out progress made in October, while the appendix gave more detail around the activity planned in November and set out key risks and mitigations. Discussions had taken place with the Board and the Chief Executive around future ways of working. The Chief Executive had written to the external auditor on progress made since June and a copy of this letter had been shared with the Board. Work to establish the Independent Improvement Board (IIB) was progressing and IIB members would meet the Board on the planned induction day. Lord Kerslake, Chair of the IIB, was in regular contact with the Statutory Deputy Mayor and Chief Executive.

In discussion, individual Members:

- Asked how the Board could support the improvement process. Officers invited Board members' active engagement in the discussions taking place and their feedback on progress or other elements they wished to see.

[Councillor French joined the meeting at 10.31am]

- Noted that the review of the Constitution was an integral part of the improvement activities as this would set out arrangements for decision-making, behaviour and how the CPCA conducted its work. A systematic Member-driven approach had been taken to the review. There was agreement that the executive committees should take on more work, but the way business was delegated and the call-in process would be discussed with Members prior to proposals being brought to the Board.
- Expressed surprise that the letter to the external auditor had not referenced serious governance failures such as the Ting, commenting on the need to be overt and transparent about such things. The Chief Executive stated that following a change of process, external auditors now raised any potential risks as soon as they became aware of them, rather than at the end of the year. The Chief Executive's note was provided at the request of the external auditor and was a response to the external auditor's letter. This would be taken into account as EY's annual letter for 2021/22 was prepared.

It was resolved to:

- a) Note the progress made against the actions set out in the CPCA Improvement Plan for October.
- b) Note the development of arrangements for the Independent Improvement Board.

Part 3 - Finance Reports

303. Budget Monitoring Report

The Board reviewed the forecast outturn position for the six month period to the end of September 2022. A revenue underspend of c£9.3m was forecast against a budget of c£75m. The majority of this related to the revenue element of net zero homes capital grants, and so did not represent a genuine saving. An increase in income on treasury balances was forecast, and there was an improved overall position in relation to bus services. Actual expenditure to date was low, but much of this related to the Transforming Cities Fund which would be discussed later in the meeting (minute 313 below refers). Slippage on the capital programme was being monitored by the internal Performance and Risk Committee (PARC) and an internal audit report had been commissioned. Officers offered a note outside the meeting on the grants referenced at section 3.7. Action required

It was resolved to:

- a) Note the financial position of the Combined Authority for the year to date.
- b) Note the increase to the Local Transport Grant following extension by the Department for Transport.

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

The Board was invited to approve the draft Budget for 2023/24 and the draft Medium-Term Financial Plan (MTFP) 2023/24 to 2026/27 for consultation purposes.

The 2022/23 budget setting process had allocated most available funds to climate related projects, transport and skills and for this iteration there was relatively little revenue and capital headroom. Detailed approved and subject to approval lines were set out in the appendices to the report and showed the expected balances for each year. The overall balance for revenue and capital for each year to the end of the MTFP were balanced and affordable, before taking into account significant bus costs. Increased costs in the current year would be covered by transport savings, but significant budget pressures were anticipated from 2023/24 onwards. This would require either additional funding in excess of current provision or the limiting of the service within existing funding levels. The range of funding options might include seeking contributions from constituent councils, making savings within the CPCA or a Mayoral Precept. Subject to its approval, the budget would comprise two elements: those projects which had been approved by the Board and which had funding available to drawdown and those which were subject to approval, and which would need to be

brought to Board for approval prior to the drawdown of funds. A number of significant funding streams were coming to an end, and one of the improvement workstreams was looking to identify where the next tranches of funding would come from. In relation to LEP/ Business Board funding, some combined authorities funded these from other sources of income. It was noted that the Business Board was partly funded through Enterprise Zone receipts. The draft local government settlement was due in the week before Christmas, but that did not cover LEP core funding or the Mayoral capacity fund, and the timeframe for those was not yet known.

The Chief Executive stated that uncertainty was not generally an issue with combined authorities' budget setting, but this year it was due to the national situation. The Treasury was looking at several elements of revenue funding at a national level, including core funding to LEPs and the Mayoral capacity fund, and at uncommitted capital funding. It was unclear when clarification on this would be received, but it was hoped that this would be before the Board met in January.

In discussion, individual Members:

- Emphasised the importance of the Business Board working collaboratively with constituent councils and local government to leverage funds and maximise the benefits which could be delivered for Cambridgeshire and Peterborough.
- Asked what would happen if revenue funding for the Business Board was pulled and whether this was being discussed by the M10 group.
- Asked whether the CPCA had any unspent or unallocated funds which might be at risk. The Chief Executive clarified the word he had used was 'uncommitted', and that the M10 group was emphasising that something not yet being in contract did not mean that a lot of work might not already have been done on it.
- Noted that the CPCA had received a flat cash settlement of £20m per year over 30 years, which was subject to inflation erosion.
- Noted the option of asking constituent councils to provide additional funding. In this context it was flagged that the County Council was already facing budgetary pressures, with its in-year budget gap having increased significantly.
- Emphasised the importance of maximising use of the investments already made by the CPCA, such as the University of Peterborough and the Chatteris Skills Training Centre, and ensuring that people could access these.
- Commented that there was a missing element from the MTFP, in that it did not include a strategy for bus service improvements.
- Commented that they had understood that the Board would review all projects allocated the previous December and take a fresh view on prioritising spend. The Member would like to see the projects added in December expressly included in section 2.2.8 of the report and expressed their view that there was a choice between bus services and those December projects and a need to prioritise. The Member would want to look at this before considering alternatives such as a Mayoral

Precept. Following a comment by another Member that the last round of funding allocations had in their view been subject to a robust process which had included an improved scoring process, the Member commented that they were not questioning that these were good projects which had gone through a proper process. However, in light of new financial pressures they felt that these should be looked at again.

Officers stated that the review of existing projects had been discussed at a Leaders' strategy meeting and the decision had been taken to continue with them for now. There had been some discussion of forming an investment committee, and this would be discussed again with Leaders.

- Highlighted the £8m cost of running the organisation. A Member felt that the costs associated with the Housing directorate should be reviewed and expressed the view that there was scope to reduce that cost. Officers stated that discussions around the housing programme were on-going, but the costs were still currently in the budget.

On being proposed by the Statutory Deputy Mayor, seconded by the Non-Statutory Deputy Mayor, it was resolved by a majority to:

- a) Approve the Draft Budget for 2023/24 and the Medium-Term Financial Plan 2023/24 to 2026/27 for consultation.
- b) Approve the timetable for consultation and those to be consulted.

Part 4 – Combined Authority decisions

305. Greater South East Net Zero Hub (KD2022/053)

The Board's approval was sought as the Accountable Body for the Greater South East Net Zero Hub (GSENZH) to delegate authority to the Interim Chief Executive to address some logistical and governance matters. The Lead Member for the Environment and Climate Change spoke of the high calibre of the workforce and the impressive work now being done by the GSENZH.

On being proposed by Councillor B Smith, seconded by Mr Plant, it was resolved unanimously to:

- a) Recognise Agree the acceptance of the BEIS GSE Net Zero Hub MoU 2022 to 2025.
- b) Delegate authority to the Interim Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer, to enter into agreements and approve the budgets corresponding to the BEIS funding agreements for the delivery of new projects and pilots.

- c) Delegate authority to the Interim Director of Corporate Services, in consultation with the Chief Finance Officer and Monitoring Officer, to update the Net Zero Hub Board Terms of Reference and Accountable Body Agreement.
- d) Delegate authority to the Net Zero Hub Board for the use of the grants where the decisions do not impact the Combined Authority budget or staffing arrangements.
- e) Note the Greater South East Net Zero Hub bid into the Home Upgrade Grant Phase 2 challenge fund being run by BEIS and, if this is successful, agree to the mobilisation of the project, commence procurement, invite bids and award to successful bidders, and the creation of budget lines to expend the HUG2 funding.

306. Climate and Strategy Business Cases November 2022 (KD2022/055)

The Board's approval was sought for the business cases for the Waterbeach Renewable Energy Network (WREN) and Greater Cambridge Chalk Stream projects. If approved, the WREN project would lever in £4m in match funding. The Lead Member for the Environment and Climate Change described this as the type of project which the CPCA should support. The damage to chalk streams due to extraction and the heat during the summer was referenced.

A Member stated that they would be abstaining from the vote as they felt there was a need to look in the round at the projects being funded. However, they wished to be clear that this was not because they were not supportive of these projects.

On being proposed by Councillor B Smith, seconded by the Non-Statutory Deputy Mayor, it was resolved by a majority to:

- a) Approve the Business Case for Waterbeach Renewable Energy Network project and approve £2.7m from the subject to approval line in the medium-term financial plan (MTFP).
- b) Approve the Business Case for the Greater Cambridge Chalk Stream project and approve £300,000 capital and £120,000 revenue from the subject to approval line in the MTFP.
- c) Approve the revised expenditure profiles as set out in the Business Cases

307. Local Nature Recovery Strategy Grant

It was proposed to passport £16,304 to Cambridgeshire County Council as the delivery body for the Local Nature Recovery Strategy. Officers were working closely on this with Natural Cambridgeshire and there would be additional funding from Government.

On being proposed by Councillor B Smith, seconded by Mr Plant, it was resolved unanimously to:

Approve the creation of an expenditure budget to enable payment of £16,304 to Cambridgeshire County Council towards preparation for a Local Nature Recovery Strategy.

308. Market Towns Programme Financial Update November 2022 (KD2022/043)

This report was originally due to be considered on 19 October 2022, but was withdrawn with the consent of the Board to allow time for further work. Approval was sought for revised project expenditure for the projects set out in the report and the reallocation of underspent funds.

A public question on this report had been received for Councillor Boden. In Councillor Boden's absence, a written response was offered which would be published and circulated to Board members for information. A copy of the question and written response can be viewed [here](#). Minute 300 above also refers.

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

- a) Note the latest financial position for the Market Towns Programme and approve revised project delivery profiles and extended completion forecasts as set out within the latest Market Towns Programme Delivery Tracker.
- b) Approve the reallocation of £195,000 from the cancelled Whittlesey Heritage Centre project to fund the four proposed community projects, subject to external appraisal and sign-off from the CPCA Performance and Risk Committee (PARC).
- c) Approve the submission of a funding application from Fenland District Council to the Combined Authority Board in January 2023 to consider the allocation of £255,750 towards progressing a Strategic Outline Business Case for Whittlesey Southern Relief Road.
- d) Approve the reallocation of any underspend from 'closed or completed' projects to cover the funding gap for the Chatteris Museum and Community Centre project, and any other 'in delivery' projects requiring additional funds within the Programme portfolio, subject to sign-off from the CPCA Performance and Risk Committee (PARC) and Chief Finance Officer.

309. Combined Authority Gainshare Equity Fund (KD2022/071)

The Board was invited to approve the Full Business Case for the Growth Works Equity Fund and the drawdown of £10million Gainshare funding which was currently subject to approval in the medium-term financial plan (MTFP). The FBC had been approved by the internal Performance and Risk Committee (PARC) in November.

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

- a) Approve the Full Business Case for the Growth Works Equity Fund and approve the drawdown of £10million Gainshare currently 'subject to approval' in the medium-term financial plan (MTFP).
- b) Delegate authority to Interim Associate Director Business in consultation with Chief Finance Officer and Monitoring Officer to complete procurement and contract with delivery partners to commence delivery of the fund.

The meeting adjourned from 11.35 to 11.50am.

By recommendation to the Combined Authority Board

Recommendations from the Transport and Infrastructure Committee

310. Call-in of decision by the Transport and Infrastructure Committee: Demand Responsive Transport

One public question had been received which related to this report. A copy of the question and written response can be viewed [here](#). Minute 300 above also refers.

The Constitution stated that three members of the Board could call in a committee decision by notifying the Monitoring Officer. The decision would not be implemented, and would be referred to the Combined Authority Board for review and decision. The Transport and Infrastructure Committee (TIC) decision on Demand Responsive Transport on 16th November 2022 had been called in, in accordance with these arrangements.

The Monitoring Officer stated that the options available to the Board were set out in the report. In her judgement, there were essentially two choices – either to uphold the decisions made by the TIC, or to overturn and replace them. The decision would be subject to the special voting arrangements set out in the Constitution in relation to any spending plans or plans for the allocation of transport-related funding. This required a vote in favour by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, to include the Mayor or Deputy Mayor acting in their place and the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members. In response to a question, the Interim Monitoring Officer clarified that if none of the options set out in the report received the Board's support the decision made by TIC on 16th November would stand.

Officers stated that the call-in of the TIC decision had been taken very seriously. An internal investigation had been undertaken in relation to the absence of proper authorisations and new measures would be introduced as a result and details circulated to Board members. The Board was advised that the decisions made at TIC had received the Committee's unanimous support.

A Board member outlined their concerns around decision-making in relation to demand responsive transport (DRT) and their reasons for calling the decision in. In March, the

Board had noted a decision by the TIC to extend the TING trial from April to July 2022 to give more time to collect data around performance and usage. The Member said that reservations had been expressed at that meeting by several Members in relation to the cost and efficiency of demand responsive transport generally, and they had requested and received assurances that information would come back to the Board at the end of the pilot period. Unfortunately, that did not happen. The Member commented that they supported pilot projects and creative solutions to transport problems, and that they did not dispute that the TING offered an excellent service. However, during its first year of operation, every TING journey had cost £16.20 in public subsidy. This compared to a subsidy of £2.28 per passenger journey for the Ely Zipper. In addition, the Ely Zipper model had the potential to reach zero subsidy if passenger numbers increased, which was not the case for the TING. The Member felt that there had also been serious governance failures in relation to TING. The service had been due to end in July, but it had been improperly allowed to run into the autumn with no governance in place. The Member accepted that this had been a mistake, but realising this they had begun asking officers questions around this in September. The previous week they had been advised that the re-contracting of TING was undertaken by officers in August and September with no democratic input, in breach of Constitutional process. Hence the retrospective recommendation which had been taken to the TIC. The Member had been alerting officers to issues with the TING procurement since early October, and yet an officer decision notice (ODN) had been used to approve £75k for six weeks of service to the end of November which they deemed to be an exorbitant cost, and the notice itself had contained multiple inaccuracies. Officers had also let a new contract in September to an unknown, unproven and non-local contractor, although the Member understood that this was based on an exchange of correspondence rather than an actual contract. They also had questions around the Vectare procurement, but would leave those for another time. The Member expressed themselves appalled that officers had spent £425k without democratic authority on a contract they deemed financially unsustainable at a time when the Board was fighting to save the bus services which had been stopped by Stagecoach. Other bus service contract dates had been aligned to the end of March 2023 so that decisions could be taken in the round at that point, which they considered sensible. They did not want to leave TING users with no service without notice, so were considering moving an amendment to continue the TING service to the end of March 2023 to align with this. However, they judged that the cost of the TING service meant it would be unaffordable to roll it out to other areas, and commented that the area it served had three scheduled bus services. The Member considered that they had been placed under inappropriate pressure to withdraw the call-in.

The Monitoring Officer stated that two matters had been raised which she considered would benefit from legal advice, and suggested the Board consider moving into private session to hear this.

On being proposed by the Statutory Deputy Mayor, seconded by Councillor B Smith, it was resolved unanimously that:

The press and public be excluded from the meeting on the grounds that the discussion would contain exempt information under Part 1 of Schedule 12A the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed. That is, information relating to the

financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption was deemed outweigh the public interest in its publication.

The meeting room was cleared of press and public.

[Private discussion]

[The meeting returned to public session]

The Statutory Deputy Mayor stated that the Board had received extensive legal advice from the Interim Monitoring Officer in private session. The Board would now resume its public debate.

- Commented that there had been some critical comments expressed about officers which they did not support and expressed concern about a demotivated workforce.
- Asked that the Member who had stated that they had been put under pressure to withdraw the call-in should justify that remark or withdraw it. The Interim Monitoring Officer advised that no names should be mentioned as this could rise to a defamation claim.
- Shared their view that there was a need to look at how to fill gaps in services. They had been critical of the cost of demand responsive transport in the past, but the advice was that these schemes took time to embed. They judged there was a need to move to more active and public transport, commenting that inequality was driven in part by a lack of access to public transport.
- Thanked Board members for the work they had done on this issue. They judged it was important that Board members were aware of this, but questioned whether the Audit and Governance Committee or Overview and Scrutiny Committee might be better placed to look at this.
- Noted that the Board was aware that the CPCA had experienced significant governance issues in the summer.
- Commented that it was difficult to make direct comparisons between services.
- Suggested confirming the TIC's decisions, but taking a careful look at this issue again when the contract reached its break point in October 2022/23.
- Expressed concern about the effect on residents in West Huntingdonshire if the service was cancelled.
- Suggested that the Audit and Governance Committee look at the procurement and governance aspects of what had taken place in this case. **Action required**
- Commented that the DRT pilot had run for a year and that they judged it to be an expensive solution in an area with three scheduled bus services.

- Commented that all Board members wanted to look after rural bus services, and recognised the challenge of rural transport. They did not want to see a diminishment of services, and asked whether some renegotiation might be possible. The Interim Monitoring Officer stated that she had provided advice on this point during the private session.
- The Chair asked for a note to be circulated outside of the meeting to provide clarification on TING fares. **Action required**

The Interim Head of Transport stated that Vectare was an established company with a track record and that it had gone through a competitive tender process. Demand responsive transport (DRT) was part of the current Local Transport Plan (LTP) and also the draft Local Transport and Connectivity Plan (LTCP). The Department for Transport (DfT) supported pursuing pilot DRT schemes. The TING served 46 villages in West Huntingdonshire, providing access to key health and employment destinations. It was not one of the CPCA's highest performing subsidised services, but neither was it one of the lowest performers. Lessons would be learned about how report recommendations were articulated.

The Non Statutory Deputy Mayor, seconded by Councillor B Smith, moved recommendation a), that the Combined Authority Board:

Confirm the decisions made by the Transport and Infrastructure Committee in relation to Demand Responsive Transport on 16 November 2022

Councillor Bailey, seconded by Councillor Allen, moved an amendment:

To instruct officers to seek to renegotiate a new break point in March, to align with the contract end date of other subsidised CPCA bus services, and bring this back to Board for decision.

The Interim Monitoring Officer stated that she had covered this issue in private session, and the amendment would not be in line with the advice given in private session.

A Member commented that they understood the purpose of the amendment to be to open a dialogue with the service provider and the Members' wish to align the DRT contract with other subsidised CPCA bus services. However, they would consider this to be a renegotiation of the agreement which would be subject to the risks outlined in the private session.

On being put to the vote, the amendment fell.

The Board moved to the vote on report recommendation a), as moved by the Non-Statutory Deputy Mayor and seconded by Councillor B Smith, that the Combined Authority Board:

Confirm the decisions made by the Transport and Infrastructure Committee in relation to Demand Responsive Transport on 16 November 2022

A majority vote in favour of the recommendation was not carried as that majority did not include the representative of Peterborough City Council as required by the special voting arrangements set out in the Constitution in relation to spending plans or plans for the allocation of transport-related funding.

With the consent of the meeting, the Board chose not to vote on recommendations b) or c) in the published report.

The Board did not agree any of the recommendations contained in the report, neither was an alternative decision made. Therefore, the substantive decisions remained unchanged from those made by the Transport and Infrastructure Committee on 16th November 2022. That was to:

- a) Retrospectively authorise the expenditure to continue to procure the Ting service for the period 17 July to 16 October 2022.
- b) Retrospectively authorise Year 1 of the tender and award of a new Ting DRT bus service contract in West Huntingdonshire starting 27 November 2022. The potential term of the contract is three years (1 year with an option to extend for 1 year + 1 year) at a cost of £424,950 per annum.

311. Bus Strategy (KD2020/058)

The Board was advised that two additional appendices had been added to the report since it was considered by the Transport and Infrastructure Committee (TIC) on 16 November 2023. These set out comments from TIC members, constituent council members and officers (Appendix 1) and an updated version of the draft Bus Strategy showing tracked changes (Appendix 2). Feedback to date had suggested a greater emphasis on key destinations to support social equity and the importance of the environment. A golden thread would run between the Local Transport and Connectivity Plan (LTCP), the bus strategy and the bus service improvement plan (BSIP). An extension had been agreed by the Department for Transport which would allow the BSIP to be brought to the Board for consideration via TIC in a timely manner, and officers suggested the Board might wish to amend recommendation b) to reflect this.

An amendment was proposed to recommendation b) by Councillor Bailey, seconded by Councillor French, that the Combined Authority Board:

- b) Delegate the responsibility to the Interim Head of Transport ~~and the chair of the Transport and Infrastructure Committee~~ in consultation with the Chief Finance Officer and Monitoring Officer to submit the final Bus Service Improvement Plan to central government in a timely manner, **following review by the Transport and Infrastructure Committee and approval by the Combined Authority Board.**

[Additional text shown in **bold font**, test removed from the published recommendation shown as ~~struck through~~]

On being put to the vote, the amendment was carried unanimously.

In discussion, individual Members:

- Thanked officers for their efforts to sort routes and pick-up points, describing this as superb.
- Asked whether the March to Chatteris bus route had been filled, whether the funding strategy was solely reliant on Government funding through the BSIP or other routes and whether it was likely to take four years at best to implement bus franchising. The Interim Head of Transport shared his belief that an operator was in place for the March to Chatteris route and stated that further work was being done internally on the funding strategy. At this stage he considered a timescale of two and a half years for the implementation of bus franchising to be more appropriate, but this must follow correct process and due diligence and he would come back to the Board on this timescale. Officers would be happy to discuss this with constituent councils.

Action required

- Welcomed the enhanced focus on supporting access to education, and expressed the hope to see an equal focus on supporting access to healthcare.
- Noted the request from the TIC to make clear that road charging was not currently included in the strategy, and commented that the draft still contained some wording which caused them concern in relation to this as they could not support any measures predicated on road charging or which would infringe on East Cambridgeshire District Council's free parking policy. Officers emphasised that the draft was for consultation purposes at this stage and recommended that the Board should proceed with it as drafted while officers would continue to work with constituent councils and others to refine the wording.

On being proposed by Councillor B Smith, seconded by the Non-Statutory Deputy Mayor, it was resolved by a majority to:

- a) Approve the Bus Strategy to allow for a 6-week public consultation.

It was resolved unanimously to:

- b) Delegate the responsibility to the Interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to submit the final Bus Service Improvement Plan to central government in a timely manner, following review by the Transport and Infrastructure Committee and approval by the Combined Authority Board.

312. A16 Norwood Improvements Outline Business Case (KD2022/042)

The Board's approval was sought for the drawdown of funding from the medium term financial plan (MTFP) to allow the continuation of the scheme to be ready as a pipeline project when funding became available.

On being proposed by the Statutory Deputy Mayor, seconded by seconded by the Non-Statutory Deputy Mayor, it was resolved unanimously to:

Approve the drawdown of £1.2 million from the Medium-Term Financial Plan for the development of the Full Business Case and to delegate authority to the Interim Head of Transport to enter into a Grant Funding Agreement with Peterborough City Council following consultation with the Monitoring Officer and Chief Financial Officer.

313. Transforming Cities Fund (KD2022/035)

With the consent of the meeting, it was agreed to amend recommendation b) to strike out the reference to a delegation to the Chair of the Transport and Infrastructure Committee as delegations to individual members were not permitted by the Constitution.

A range of projects from across the region had been considered by the Transport and Infrastructure Committee (TIC) to utilise the underspend within the programme. The Board's approval was sought for those schemes recommended by the TIC.

On being proposed by the Statutory Deputy Mayor, seconded by seconded by the Non-Statutory Deputy Mayor, it was resolved unanimously to:

- a) Agree the recommended capital replacement schemes for the Transforming Cities Fund.
- b) Delegate authority to the Interim Head of Transport to inform the Department for Transport of the revised TCF programme with the expectation that the fund will be allocated in full.
- c) Delegate authority to the interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to ensure the timely sign off for the Grant Funding Agreements with the County Council and other delivery partners, thereby reducing any potential delay in the programme.

314. Wisbech Rail Next Steps (KD2022/014)

The Board's approval was sought to drawdown funding to develop an options appraisal report to look at a variety of options along the route, including a heavy rail option, to allow comparisons.

A Member welcomed the news that progress might be made in relation to Wisbech Rail as this was a source of frustration locally.

On being proposed by the Statutory Deputy Mayor, seconded by the Non-Statutory Deputy Mayor, it was resolved unanimously to:

Approve the drawdown of £80,000 from the Medium-Term Financial Plan for the development of an Options Assessment Report and to delegated authority to the Interim Head of Transport to enter into a Development Services agreement with Network Rail following consultation with the Monitoring Officer and Chief Financial Officer.

315. Snailwell Loop (Newmarket Curve)

The Board was advised that the Transport and Infrastructure Committee had considered a report on the Snailwell Loop (Newmarket Curve) on 16 November 2022 and had inadvertently agreed both to pause works and to recommend the approval of funding to continue to develop the project to the Board for consideration. With the consent of the meeting, it was decided that the Board would consider the options rather than referring the matter back to the TIC.

The Snailwell Loop project was included in both the current Local Transport Plan and the draft Local Transport and Connectivity Plan. The project would add benefit to the network in its own right, but the progression of the Ely Area Capacity Enhancements (EACE) would maximise these benefits. The EACE also represented the biggest programme for Transport East, and an event was being planned at Parliament in support of this. Board members would be advised of the details in due course. The TIC had tasked officers to do a piece of work around usage of Soham Station, and this would be shared with the Board. **Action required**

In discussion, individual Members:

- Commented that the Snailwell Loop was a missing piece of rail track around half a mile long which had been referenced in the Devolution Deal. In their view, this project was critical to maximising the CPCA's investment in opening Soham Station as it would unlock a direct service from Soham to Cambridge. This would support the CPCA's wish to reduce road miles and support modal shift. The Member would also like to see consideration move on to doubling track, commenting that this project had its own value in addition to the importance of the Ely North Junction.
- Endorsed the proposal to approve the necessary budget to enable the continued development of the project, commenting that they wanted to encourage more train services across Cambridgeshire and Peterborough and more travel by train. The Ely Area Capacity Enhancements were crucial to this, and it would be important to for the Board to collectively keep up pressure on Government on this and to support the scheme in any way it could. The Snailwell Loop was a smaller part of the scheme, but they understood it was closely linked with the EACE.
- Expressed concern that a press release had been issued in error stating that the TIC had agreed to pause the work. This had since been removed.

On being proposed by Councillor Bailey, seconded by the Non-Statutory Deputy Mayor, it was resolved unanimously to:

Approve £150k of the current £500k subject to approval budget to enable continued development of the project and slip the balance into 2023-24.

The meeting was adjourned from 1.45pm to 2.20pm.

Councillor French and Deputy Police and Crime Commissioner Peach left the meeting at 1.45pm.

Part 6 – Skills Committee recommendations to the Combined Authority

316. University of Peterborough, Delivery Update and Future CPCA Role (KD2022/029)

The Board welcomed the continuing success of the University of Peterborough, and of its students.

It was resolved to:

- a) Note the progress of the development of the University of Peterborough, the opening and operation of the phase 1 building to students by ARU Peterborough and its initial and potential performance against the original business plan objectives.
- b) Note the future role of the Combined Authority in the next few months in the further evolution and development of the University through the following:
 - i. Preparation and submission for approval of the Phase 3 full business case including a review of the University's original quantitative objectives set at the Phase 1 full business case, with further recommendations about how to reset these for effective monitoring of the new University.
 - ii. Update and preparation of the University Programme Business Case including partners strategy for delivery.
 - iii. Supporting and managing the preparation and submission of an outline planning application for a scheme to articulate the vision to potentially expand the University campus beyond the phase 3.
 - iv. To review the business plan and approach to lettings for the phase 2 building to achieve the best outcome.

317. Growth Works Performance Review

The Board was advised that the recommendations contained in the published report had been endorsed in full by the Skills Committee on 7 November 2022, but that the Business Board had not endorsed recommendation iv) to approve an overall reduction

of 10% in the jobs created target to 4937 compared to an initial target of 5486, when it had considered the same proposals at its meeting on 14 November 2022. The Chair of the Skills Committee shared their view that the Skills Committee would be happy to defer to the Business Board on this point, and to reject that recommendation.

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

Approve the implementation of proposed recommendations from the programme review as outlined at section 8 of the report. These are:

- i. Increase the jobs to be created from the £3m European Regional Development Fund (ERDF) funded grant programme from 400 to 1240;
- ii. Reduce the Growth Coaching Service new jobs target to 1417 to provide capacity to continue to support existing clients;
- iii. Re-allocate 500k of the contracted funding and 454 jobs output target from the Growth Coaching budget line to the Inward Investment service line to give a new total jobs output of 1262 across the Inward Investment contract line;
- iv. Revise the focus of the skills brokerage model from longer term culture change to medium term output deliverables to deliver required learning outcomes, apprenticeship starts and European Social Fund (ESF) key performance indicators;
- v. Approve a more realistic alignment of Growth Works for Skills with the emergent needs of local businesses.

Part 7 – Housing and Communities Committee recommendations to the Combined Authority

318. Digital Connectivity Programme Reprofile

The Board was advised that officers were seeking approval to re-profile the digital connectivity programme budget, and not to change it.

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

Approve the re-profiling of the Digital Connectivity Programme budget as below:

	2022-3	2023-4	2024-5	Total
Original Budget	2,118,000	1,500,000	1,500,000	5,118,000
Revised Budget	1,262,000	1,943,000	1,913,000	5,118,000

Part 8 – Business Board recommendations to the Combined Authority

319. Strategic Funds Management Review November 2022

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

The Board was advised that the Business Board felt it was unlikely that the South Fens Enterprise Park project would deliver as planned. However, the original intention which lay behind the project was something which the Business Board would be willing to consider in future.

On being proposed by the Chair of the Business Board, seconded by the Non-Statutory Deputy Mayor, it was resolved unanimously by those present to:

Decline the Project Change Request for the South Fens Enterprise Park project, and for funding to be clawed back in line with the existing grant agreement.

Part 9 – Governance reports

320. Governance of CPCA Subsidiary and Fully Owned Companies – Shareholder Board

The Board's approval was sought for the creation of a Shareholder Board to ensure that the Combined Authority's subsidiary companies acted in the interests of the CPCA as shareholder, member or lender and contributed to the Authority's objectives. A recent internal audit report had highlighted the need for more governance around the CPCA's wholly or partly owned subsidiary companies. Five companies were listed at section 2.8 of the report, excluding OneCAM Ltd which was in the process of being wound up.

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

- a) Approve the creation of a Shareholder Board to ensure that CPCA subsidiary companies act in the interests of the CPCA as shareholder, member and / or lender and contribute to the Authority's objectives.

- b) Note the draft Terms of Reference at set out at Appendix 2 and delegate approval of final terms to the Chief Executive Officer in consultation with the Lead Member for Governance, the Chief Finance Officer and the Monitoring Officer.

321. Forward Plan November 2022

With the consent of the meeting, it was resolved to approve the Forward Plan for November 2022.

322. Part 10 – Exempt Matters

On being proposed by the Statutory Deputy Mayor, seconded by Councillor B Smith, it was resolved unanimously that:

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

323. University of Peterborough - Proposal to offer a loan to R&D Company 2 Delivering the University Phase 2 Building

[Private discussion]

On being proposed by the Statutory Deputy Mayor, seconded by the Non-Statutory Deputy Mayor, it was resolved unanimously by those present to:

- a) Approve recommendation a).
- b) Approve recommendation b).

324. Transition Arrangement: Resignation of Officer

[Private discussion]

It was resolved to note the report.

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

The minutes of the Extraordinary meeting of the Combined Authority Board on 20 May 2022 were signed by the Statutory Deputy Mayor.

326. Exempt minutes of the Combined Authority Board meeting on 31 August 2022

The minutes of the meeting on 31 August 2022 were signed by the Statutory Deputy Mayor.

(Statutory Deputy Mayor)



Combined Authority Board – Minutes Action Log

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

Minute	Report title	Lead officer	Action	Response	Status
199. and 200.	Appointment of the Overview and Scrutiny Committee 2022/23 Appointment of the Audit and Governance Committee 2022/23	Edwina Adefehinti	Officers were asked to raise the exclusion of Independent members from political proportionality calculations relating to committee memberships with DLUHC.	At present the law as it is set out in The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 which applies to all combined authorities, excludes independent members from political proportionality calculations. For there to be a change a new statutory instrument would be required. This issue will be raised with DLUHC by officers.	Open

Minute	Report title	Lead officer	Action	Response	Status
220.	Forward Plan	Roger Thompson/ Steve Clarke	An informal discussion was proposed around regional partnerships, the Business Board's status as either a LEP or a growth board and the number of elected members appointed to the Business Board.	A joint Combined Authority Board and Business Board workshop was held on 7 December 2022 and the proposed informal discussion was had, with break-out work groups and plenary focussing on the draft interim Business Board review report findings on the current function and the future form and status of the Business Board. The independent review of the Business Board has completed, and the final version report will be shared with Members during January for consultation. An integration plan for the Business Board has been confirmed as not required by DLUHC. The review findings and output from the 7 th December workshop are informing the paper on CPCA Governance at January Board.	Closed
235.	OneCAM Ltd Audit report	Edwina Adefehinti	To take learning from the OneCAM Ltd audit report and raise the concerns expressed in the meeting, including around potential Officer conflicts of interest, with the Audit and Governance Committee.	The Deputy Monitoring Officer intends to take a report to the September meeting of the Audit and Governance Committee.	Open
291.	Mayoral Decision Notice MDN40-2022 Adult Education Budget Contract Awards 2022-23	Fliss Miller/ Parminder Singh Garcha	The SRO offered a note outside of the meeting providing detail of the correlation between the skills budget and skills needs in different parts of the CPCA area and the skills needs of business.	A report providing further data analysis on skills needs will be provided outside of the meeting. The Annual Report of AEB delivery is due in February.	Open
298.	Minutes – 19 October 2022 and minutes action log	Steve Cox/ Tim Bellamy	To provide a timeline for the Bus Service Improvement Plan.	Information on the timing of the BSIP was presented to Board previously. It is envisaged that the BSIP would be tabled at the Board meeting in June; however further discussions are required around the timing of the preceding Transport and	Open

Minute	Report title	Lead officer	Action	Response	Status
				Infrastructure Committee in May (following the local elections).	
		Edwina Adefehinti	Officers undertook to review the action log to ensure that all actions identified in the minutes of the October meeting had been addressed.	The minutes of the October Board meeting have been reviewed and all actions were recorded on the action log.	Closed.
303.	Budget Monitoring Report	Jon Alsop/ Rob Emery	Officers offered a note outside the meeting on the grants referenced at section 3.7.		
310.	Call-in of decision by the Transport and Infrastructure Committee: Demand Responsive Transport	Edwina Adefehinti	A Member suggested that the Audit and Governance Committee should look at the procurement and governance aspects of what had taken place in this case.		
310.	Call-in of decision by the Transport and Infrastructure Committee: Demand Responsive Transport	Steve Cox/ Tim Bellamy	The Chair asked for a note to be circulated outside of the meeting to provide clarification on TING fares.	Information on fares for Ting has been provided to members.	Closed
311.	Bus Strategy	Steve Cox/ Tim Bellamy	The Interim Head of Transport stated that at this stage he considered a timescale of two and a half years for the implementation of bus franchising to be appropriate, but this must follow correct process and due diligence. He would come back to the Board.	Confirmation that franchising could be implemented within a two-and-a-half-year window with minimal barriers and challenges. However, the risks would need to be mitigated against and due governance and process undertaken to ensure the appropriate framework is put in place. Further information on the potential timings alongside a more granular programme will be developed and presented to TIC	Closed

Minute	Report title	Lead officer	Action	Response	Status
			on this timescale. Officers would be happy to discuss this with constituent councils.	and Board members between now and summer 2023.	
315.	Snailwell Loop (Newmarket Curve)	Steve Cox/ Tim Bellamy	Officers undertook to provide the Board with a copy of the information on the usage of Soham Station which had been requested by the Transport and Infrastructure Committee.	The usage of Soham Station will be provided when the annual (year-long) data can be verified. Data could be provided at the moment, however until the final figures are checked this information will not be provided to the TIC and subsequently Board. An update will be provided in the spring.	Open
323.	University of Peterborough - Proposal to offer a loan to R&D Company 2 Delivering the University Phase 2 Building	Edwina Adefehinti	To consider a visit to the University of Peterborough by Board members, and holding a future Combined Authority Board meeting at the University.		



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No. 1.5

Cambridgeshire and Peterborough Combined Authority Board January 2023

Public questions

	Question from:	Question to:	Question:
1.	Kelly Whitley, local resident	Councillor Anna Smith, Statutory Deputy Mayor	My twin teenagers are in further education in Cambridge, but our village of Bassingbourn has no bus service to Cambridge, nor any bus service at all to take them to the nearest public transport link in Royston early enough in the morning to reach college. Both boys also work at McDonald's in Royston at weekends but there is no bus service at all on a Sunday, and Saturday bus times, like weekdays, are very limited. The cycling route along the A1198, crossing the A505 roundabout, is dangerous and we do not own a car. I am a single mum with two younger children as well and cannot afford regular taxi fares to Royston. Young people in Bassingbourn, which is a relatively large village, have no suitable public transport links for young people needing to get to education, training and jobs. What can the Combined Authority advise for my sons?

Mayor's Draft Budget and Mayoral Precept 2023-24

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 January 2023
Lead Member:	Mayor Nik Johnson
From:	Jon Alsop Chief Finance Officer
Key decision:	Yes
Forward Plan reference:	KD2022/064
Recommendations:	<p>a) Consider the proposal to implement a Mayoral General Precept of £12 (Band D).</p> <p>b) Approve the Mayor's draft budget for 2023-24 incorporating the Mayoral General Precept</p>
Voting arrangements:	The Mayor's budget is passed unless voted against by a 2/3 majority of Members of the Board appointed by the constituent authorities, or substitutes present and voting. This is a recorded vote.

1. Purpose

- 1.1 This report recommends the Board to consider the proposal to implement a £12 Mayoral General Precept and approve the Mayor's draft budget for 2023/24 incorporating that precept.

2. Background

- 2.1 In accordance with the Combined Authorities (Finance) Order 2017, the Mayor must, before the 1st February in any financial year, notify the Combined Authority of the Mayor's draft budget in relation to the following financial year.
- 2.2 The process and timetable for approving the Mayor's budget is set out in **Appendix 1**.
- 2.3 The consultation on the Combined Authority's budget included questions on whether or not the respondents would support the use of a precept to support passenger transport services in the area. The summary of responses are included as Appendix 3 to item 3.4 on this meeting's agenda and could be considered when discussing this item.
- 2.4 The draft Mayor's budget has several key differences to prior years:
 - (a) There is a £53k reduction in the Mayor's Office Accommodation budget, from £77k p.a. to £24k p.a. This, along with some of the savings on the Mayor's Office Expenses, is from efficiency savings driven by the move to co-locate both the CPCA and Mayor in the new combined headquarters in Pathfinder House.
 - (b) In accordance with the development of the improvement plan, roles in the Mayor's office have been combined with those in communications, executive support and policy development and moved into a new Chief Executive's office which is included in the Combined Authority's budget reflecting the line management responsibilities sitting with the Head of Paid Service. The result of this is that the Mayor's office staffing budget is nil in all years.
 - (c) Reflecting on previous guidance that the Mayor's budget should include all the costs directly due to having a Mayor of Cambridgeshire and Peterborough the costs of the 4-yearly Mayoral election are now being shown in the Mayor's budget rather than the Combined Authority's. There is no difference in the costs of the election, as this is a presentational update.
- 2.5 The table below shows the Mayor's budget for the current year and the 4 years of the medium-term financial plan. Apart from the £3.6m funded by the proposed Mayoral Precept the costs of the Mayor's office (£154k in 2023-24) are met by a charge against the Combined Authority's un-ringfenced revenue funds.
- 2.6 The Mayor's allowance was set at £86,121 in 22-23 following the recommendation of an independent remuneration panel and will be increased in-line with the award for local government employees negotiated nationally. The figures below include employer's national insurance contributions.
- 2.7 If the Board vote to veto the Mayor's draft budget, they are required to make a report to the Mayor by the 8th February 2023, if such a report is not provided the draft budget is deemed approved as

set out in the 2017 Order.

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
	<u>Mayor's Budget</u>				
96	Mayor's Allowance	102	106	110	114
15	Mayor's Conference Attendance	10	10	10	10
40	Mayor's Office Expenses	18	18	18	18
77	Mayor's Office Accommodation	24	24	24	24
260	Mayor's Office Staff				
-	Election Costs	-	-	1,040	-
	Precept funded contribution to operational budgets	3,624	3,691	3,760	3,835
392	Total Mayoral Office costs	3,778	3,849	4,962	4,001

3. Mayoral Precept

- 3.1 For the first time the Mayor is proposing to implement a Mayoral General Precept, this would be an annual charge of £12.00 for a band D property and, based on forecasts from the areas' collection authorities would raise £3.6m in 2023-24.
- 3.2 The Mayor is proposing this precept in response to the pressure facing the Combined Authority across its supported bus services. As was widely reported at the time, Stagecoach withdrew from 23 services at short notice in 2022-23 and the Mayor and Combined Authority reacted quickly and decisively to protect these services through a rapid re-tendering exercise resulting in all services being partially or fully continued.
- 3.3 The cost of the new services is considerably higher than those they replace, reflecting the substantial increase in fuel, energy, and driver costs that are facing the public transport industry at large. This pressure is expected to continue into the new year, and the forecast costs of sustaining the currently supported service are £7m in 2022-23, compared to an existing budget of only £3.5m.
- 3.4 As well as continuing to support the current services, the Mayor has a stated ambition to progress the business case for franchising the bus network in the area. A franchised network would enable far greater control over which routes are offered and protect residents from private operators withdrawing services unilaterally. Continuing this work at pace requires short-term investment and the expected cost of this is £900k for 2023-24.
- 3.5 These two factors, in addition to an increase in electricity costs of running the real-time passenger information network (the displays at bus stops which say when the next bus will come) estimated at £100k, result in a pressure beyond the Combined Authority's anticipated budget of £4.5m
- 3.6 After applying specific revenue grants, and an efficiency saving of £150k from the co-location of the CPCA and Mayoral offices in Pathfinder house, this gap closes to £3.9m.

- 3.7 There are several options available to address this gap: reducing service levels, increasing the transport levy, seeking contributions from constituent councils, making cuts to other projects in the CPCA's portfolio and the use of one-off reserves and, finally the Mayor's power to implement a precept.
- 3.8 The importance of continuing these bus routes to residents of the Combined Authority area was clearly articulated by the influx of personal letters sent to the Mayor and Leaders on the Combined Authority Board telling how the authors would be unable to get to jobs, schools and carer commitments without the services which were in danger of ceasing, as such the Mayor does not support the reduction of critical services to reduce the cost of service.
- 3.9 The Combined Authority is able to increase its transport levy, the charge it makes on Cambridgeshire County Council and Peterborough City Council as the local Highways Authorities, by an inflationary amount each year. This year the extremely high rates of inflation would allow the levy to be increased by 12.6% however by doing so, as with seeking contributions from the constituent councils directly, it would simply shift the burden from the Combined Authority onto the already stretched budgets of the Highways Authorities. As such the transport levy proposed as part of the Combined Authority's budget later in this agenda includes only a 2% increase in the levy, with the Combined Authority shouldering the £1.4m difference between this and the maximum allowed increase.
- 3.10 While it would be possible to balance the 2023-24 pressure on the passenger transport budgets through a range of cuts to existing Combined Authority commitments and the use of one-off reserves both these responses are inherently short term – they would provide funding in 2023-24 but do nothing to enable the Combined Authority to continue those services in 2024-25 and beyond.
- 3.11 That said, the costs of developing franchising are a short-term pressure, as any working model for franchising will include the money to deliver its services so the Combined Authority is meeting the balance of costs of developing franchising through 2023-24 from its reserves.
- 3.12 Implementing a Mayoral precept, of £1 a month (£12 annually) on a Band D property, would help to safeguard the services which are critical for some residents of the Combined Authority to work, learn and participate in society for the medium-term, while the Authority continues to develop the case for franchising in co-ordination with GCP to incorporate the results of their work around Cambridge.
- 3.13 The funding will be ringfenced to the support of passenger transport services in the area, including the costs of the real-time passenger transport network, this is a precept required by unprecedented increases in the cost of passenger transport, not to support the Combined Authority's core costs.

4. Financial Implications

- 4.1 There are no matters to bring to the Board's attention other than those highlighted in other sections of the report.

5. Legal Implications

- 5.1 The Combined Authority is required to prepare a balanced budget each financial year in accordance with statutory timelines.
- 5.2 The process for setting the Mayor's budget is contained within the Combined Authorities (Finance) Order 2017.
- 5.3 The Mayor's power to set a precept on Council Tax is set out in Part 2 of the Combined Authorities (Finance) Order 2017.

6. Other Significant Implications

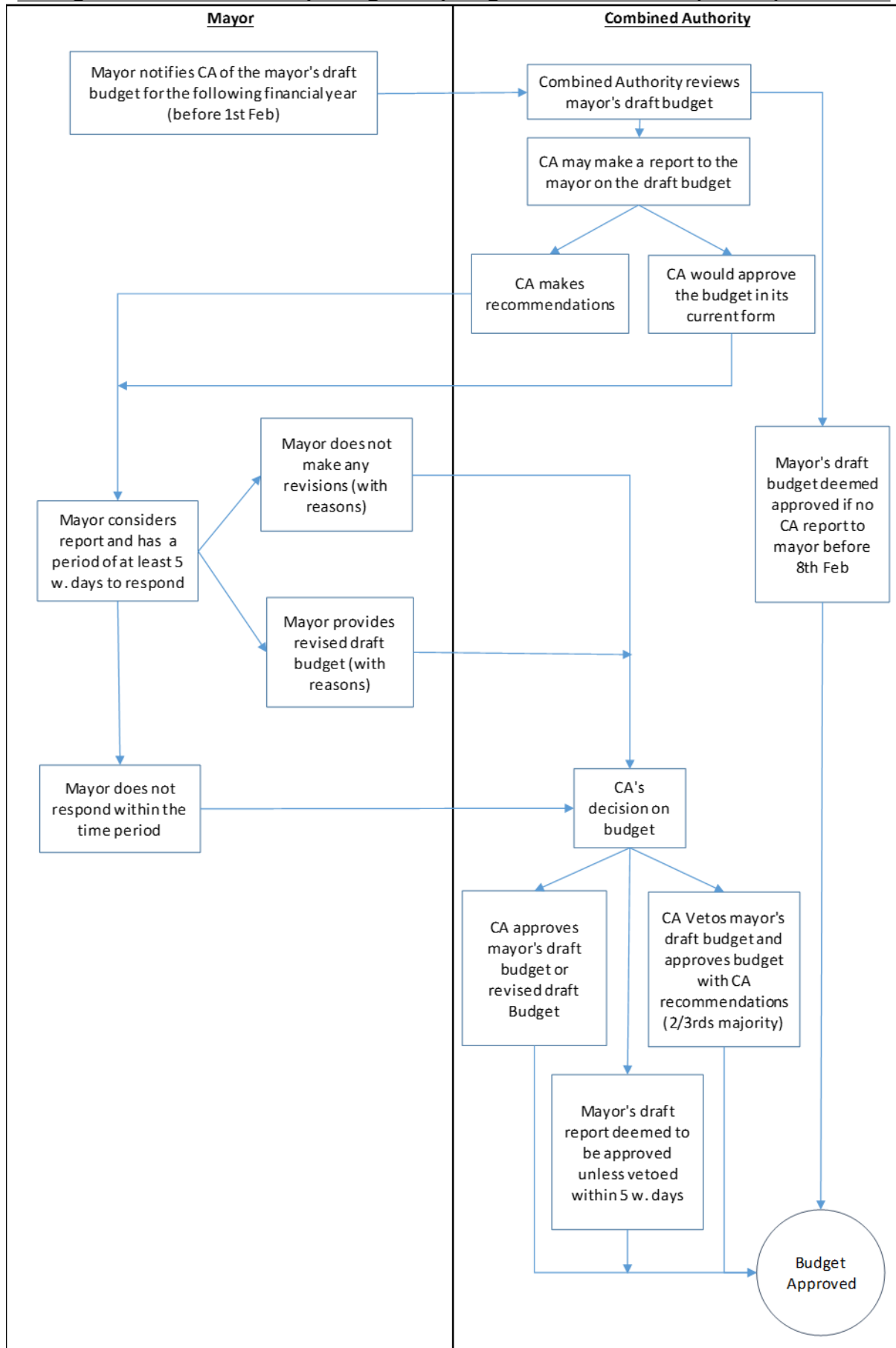
- 6.1 There are no other significant implications

7. Appendices

- 7.1 Appendix 1 – Setting of a Combined Authority's budget: Mayor's general functions
- 7.2 Appendix 2 – Calculation of aggregate amounts under section 42a (2) and (3) of the local government finance act 1992 updated in the localism act 2011)

Appendix 1

Setting of a Combined Authority's budget: Mayor's general functions - CA (Finance) Order 2017



Appendix 2

Calculation of aggregate amounts under section 42a (2) and (3) of the local government finance act 1992 updated in the localism act 2011)

	Gross expenditure £'000	Gross income £'000	Net expenditure £'000
Mayoral General Budget	3,778	-	3,778
Combined Authority	47,167	(29,517)	17,650
Contributions to/from reserves	-	(4,309)	(4,309)
	50,944	(33,826)	17,119
Transport Levy		(13,495)	(13,495)
Precept Requirement	50,944	(47,320)	3,624

Calculation of Tax Base

The Tax Base is the aggregate of the Tax Bases calculated by the District Councils and Peterborough City Council in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992.

These are currently estimated as:

District/Unitary Authority	Authority Tax Base
Cambridge City	44,837
East Cambridgeshire	31,965
Fenland	31,059
Huntingdonshire	65,795
Peterborough	61,024
South Cambridgeshire	67,331
Total	302,011

Amounts of Council Tax for each Band

2023/24	A	B	C	D	E	F	G	H
Costs for Band	£8.00	£9.33	£10.67	£12.00	£14.67	£17.33	£20.00	£24.00

Appendix 2

Calculation of Band D Equivalent Tax Rate

	£
Net Expenditure	17,118,727
Less Funding	(13,494,600)
	3,624,127
Adjusted for surplus (-)/deficit on collection funds	0
Net budget to be met from Council Tax	3,624,127
Aggregate tax base	302,011
Basic tax amount at Band 'D'	12.00

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

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 January 2023

Lead Member: Deputy Mayor Anna Smith

From: Jon Alsop, Chief Finance Officer

Key decision: Yes

Forward Plan ref: KD2022/63

Recommendations: The Combined Authority Board is recommended to:

- a) Approve the amount and apportionment of the Transport Levy for the 2023-24 financial year, incorporating a 2% increase, as set out below:

Total Levy: £13,494,390

- i) Peterborough City Council £3,615,714
- ii) Cambridgeshire County Council £9,878,676

- b) Approve the revenue budget for 2023/24 and the Medium-Term Financial Plan 2023/24 to 2026/27.

- c) Approve the Capital Programme 2023/24 to 2026/27

- d) Note the Section 73 Officer's statutory Section 25 Statement

Voting arrangements: a) A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.

b) & c) A simple majority of the Combined Authority subject to the majority including the vote of the Mayor, or Deputy Mayor acting in place of the Mayor.

b) and c) are recorded votes

1. Purpose

- 1.1. According to the Constitution, functions reserved to the Combined Authority Board include the adoption of the non-mayoral Combined Authority budget, the Medium-Term Financial Plan and the Capital Programme. The Combined Authority is required to set its annual budget by 31st January.
- 1.2. To consider and approve the 2023-24 Transport Levy and apportionment between Cambridgeshire County Council and Peterborough City Council. The associated expenditure falls under the Passenger Transport revenue budgets within the Combined Authority's budget and reflects an increase of 2%, or £246k.
- 1.3. The process for the approval of the Mayoral budget is set out in 'The Combined Authorities (Finance) Order 2017' and is considered in another paper on this agenda. It is shown within this report to reflect the overall financial position of the Combined Authority.
- 1.4. This paper sets out the proposed Combined Authority Budget for 2023/24, the Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2023/24 to 2026/27.
- 1.5. The draft budget includes the Transport Levy for 2023-24, .

2. Background

- 2.1. In November 2022 the Board received and approved a draft revenue budget, Medium Term Financial Plan (MTFP) and Capital Programme for consultation including the option to use a Mayoral Precept to meet pressures in the passenger transport budget. The proposed budget in this paper has some alterations from that which was included in the consultation relating to new funding announcements, and reflecting the decisions of the November Combined Authority Board. More detail on these changes is in section 4, and the revised capital and revenue reserve positions can be seen in finance tables 1 and 2.

The responses from the budget consultation are summarised in Appendix 3.

Budget Setting Objectives

- 2.2. The overarching objective is to set an affordable and balanced budget, as required by law, that supports delivery of the ambitions and priorities of the Mayor and the Combined Authority.
- 2.3. Other objectives and principles adopted in the development of the proposed draft budget and MTFP are as follows:
 - The funds currently paused by the Department for Levelling Up, Housing and Communities will be released and future allocations of gainshare funding will be received.
 - Budget preparation has taken account of the level of reserves brought forward from previous financial years, and of expected annual funding streams from 2023/24 onwards to ensure that spending plans continue to be affordable.

- The 2023/24 Budget and MTFP provides a clear presentation of capital and revenue budgets on a Directorate basis, strengthening the link between spending plans and funding sources.
- The staffing budgets will be delegated from the Chief Executive, as Head of Paid Service, to the Executive Directors for those within their Directorates with the Chief Exec's office staffing responsibility continuing with the Chief Executive.
- The Budget and MTFP shows net staffing costs, i.e. those chargeable to non-ringfenced funds, at the head of each directorate and recharged staff costs within the project budgets to ensure the total cost of projects can be clearly identified.
- The Budget and MTFP provides a clear presentation of projects where budget lines have already been approved by the Board, and of those projects which are 'Subject to Approval'.
- In order to avoid pre-empting decisions the Combined Authority Board has yet to take, the proposed budget has not been updated for recommendations in other papers on this meeting's agenda. The budget and capital programme will be updated to reflect the Board's decisions following this meeting. None of the individual project decisions on the Board's agenda is expected to affect the financial stability of the organisation, and thus materially change the Chief Financial Officer's opinion as expressed in the Section 25 statement.

- 2.4. The arrangements around the approval of 'subject to approval' budgets within the MTFP and capital programme set by the Board are currently being reviewed; however, within the current Constitution, all expenditure lines which are indicated 'subject to approval' will need to be approved by the Board before any expenditure can be incurred against them. This will require the preparation of business cases which demonstrate that the expenditure represents value for money.
- 2.5. All Revenue and Capital expenditure lines included within the 2023/24 budget envelope and the MTFP, including both 'approved expenditure' and 'subject to approval' expenditure, are affordable and provide a balanced budget.
- 2.6. The attached appendices provide the summary positions and detailed supporting schedules for both Revenue Expenditure (Appendix 1) and the Capital Programme (Appendix 2).

3. 2023-24 Transport Levy

- 3.1. The Cambridgeshire and Peterborough Combined Authority is the area's statutory Transport Authority. Transport Authority functions primarily relate to transport planning, bus services and transport operations. These powers and duties include powers and duties contained within Parts 3 and 4 of the Transport Act 1985 that can be summarised as:
 - I. Duty to produce a Local Transport Plan.
 - II. Production of a Bus Strategy.
 - III. Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017;
 - IV. Powers to enter into quality bus partnerships and enhanced partnerships.
 - V. Responsibility for the provision of bus information and the production of a bus information strategy.

VI. Role of Travel Concession Authority.

VII. Financial powers to enable the funding of community transport; and

VIII. Powers to support bus services.

- 3.2. The Transport Levying Bodies Regulations 1992 (as amended) sets out the power of the Combined Authority to set a Transport Levy, payable by the area's Local Highways Authorities (Peterborough City Council and Cambridgeshire County Council) to meet the costs of these functions where other funding has not been identified. A 2% increase in the levy that of 2022-23 results in the following levy for the 2023-24 financial year:

Authority	2022-23 levy	2%	Proposed 2023-24 levy
Cambridgeshire CC	9,684,976	193,700	9,878,676
Peterborough CC	3,544,817	70,896	3,615,714
Total	13,299,793	264,596	13,494,390

- 3.3. This funding, along with Combined Authority's core funding, ringfenced grants from government, and the precept proposed within the Mayor's budget, fund the staffing and project costs associated with being the area's Local Transport Authority.

4. Changes from the November Draft Budget

- 4.1. The Combined Authority approved a draft budget for consultation at their meeting in November, since that point there have been a number of updates due to both internal and external factors.
- 4.2. While Members may be used to seeing significant changes following the provisional local government finance settlement, which was announced on the 19th December 2022, the Combined Authority doesn't receive funding through the measures this announces as it doesn't have any 'core spending power' from the perspective of central government.
- 4.3. This means that, while most Local Authorities received a more generous settlement than was anticipated, providing the sector as a whole with a 3% increase in spending power before council tax decisions and up to a 9% increase with them taken into account, the Combined Authority has received no such uplift in its funding meaning it continues to manage all of its inflationary pressures, including pay awards and service costs, without additional assistance from central government. Outside of the unprecedented pressure on passenger transport the Combined Authority has met inflationary pressures across its portfolio without the need to rely on additional funding, representing an unacknowledged efficiency saving compared to maintaining real-terms spending power.
- 4.4. The most obvious change is the move from the historic Combined Authority's directorate structure to the new one which was approved at the Authority's October meeting. This change is presentational and aligns the delivery areas of the Authority under the new Tier 2 structure with a Chief Exec's office, and Executive Directors of Resources & Performance, Economy & Growth, and Place & Connectivity.

- 4.5. As responsibility for staffing within their Directorates falls to the Executive Directors, the staffing costs of the Authority are now shown within the relevant area rather than within a single 'corporate services' line.
- 4.6. The presentational change has no impact on the Authority's income and expenditure, but will improve accountability for project budgets and staffing costs as it clearly aligns with director responsibilities.
- 4.7. As highlighted in the paper to the November Board, there is a substantial pressure on passenger transport in 2023-24. Consistent with the draft Mayoral budget being proposed on this meeting's agenda the draft budget being proposed today includes £7m for supported bus services in 2023-24 and £900k for the continued development of bus franchising.
- 4.8. This is a £4.5m investment in services and is funded from £300k of grant from the Department for Transport toward the cost of developing either Enhanced Partnerships or Franchising arrangements, £600k utilisation of Combined Authority reserves, and a £3.6m contribution from the Mayoral budget, funded by the proposed Mayoral Precept.
- 4.9. The contribution from the Mayor's budget, of £3,624k, is matched by the increase on the passenger transport budget demonstrating that the mayoral precept is entirely ringfenced to support passenger transport services.
- 4.10. Other material changes since the November draft budget are summarised below:

Change	Reason
Capital programme updates	Updated budget to reflect Nov CA Board approvals – Transforming Cities Fund capital programme, Market Towns programme and approval of Growth Works Equity project.
Tier 2 structure	Staffing updated to reflect revised Tier 2 structure approved at Oct CA Board
Chief Exec's office	Staffing updated to reflect new Chief Exec's office structure including removal of Mayoral office staff budget
£2.9m Wave 4 skills bootcamps	Following announcement that the CA's bid for Wave 4 bootcamps was successful
£823k Active travel revenue funding	Following the funding announcement the expenditure will be split across the County, Peterborough, and Combined Authority.
Investment in skills staffing	Allowance has been made for 4 core non-AEB funded posts within the skills team (an increase of 2). This will allow long-term, sustainable resourcing of the CPCA's skills programme rather than relying on grant funded fixed term appointments.
December payroll reconciliation	Staffing reconciled to December payroll

5. Budget for 2023/24 and MTFP for the period 2023/24 to 2026/27

- 5.1. This report presents the proposed Revenue and Capital Budgets, reflecting the draft approved for consultation in November 2022 with amendments as set out above and in line with agreed accounting policies. Overall affordability remains the key factor in agreeing a balanced budget and this paper reflects the revised directorate structure to ensure the lines of accountability for income and expenditure to the Executive Directors are easily understood. The budget tables also differentiate between budgets which can be committed without further Board approval ('approved' projects and non-discretionary operational costs) and those that are 'subject to approval' by the Board.

6. Funding

- 6.1. Funding summaries for planned and projected 'Revenue' expenditure and 'Capital' expenditure over the lifetime of the MTFP are shown in Tables 1 and 2 on the next page. These show the expected fund balances available in each year of the MTFP and are made up of reserves brought forward and expected in year funding. These tables show the movement against these funds for both 'approved' and 'subject to approval' expenditure profiles. The positive overall balance for non-ringfenced Revenue at the end of each year and at the end of the MTFP period (the top three lines in table 1 & top two in table 2, 2026/27 - £3.8m), and for Capital (2026/27 - £29.9m), indicate that the budget is balanced and affordable.
- 6.2. While the Combined Authority's budget and MTFP is balanced and affordable there are two key risks which it faces in the medium term both of which could significantly impact on the ability of the Authority to achieve its strategic aims: the absence of sustainable revenue funding and the decrease in devolved capital funding.
- 6.3. The Combined Authority's core operations are funded by the revenue gainshare grant – this was set at £8m a year for 30 years with no allowance for inflation built in. While the 'real term' value of this grant was always going to decrease overtime due to inflation, the recent double-digit inflation has significantly accelerated this effect and brought the timing at which the grant will become insufficient to support the organisation in its current form, much closer. Without a new source of revenue funding, the Combined Authority will struggle to support operations other than those funded by the Transport Levy and Adult Education Budgets in the long-term.
- 6.4. There is a marked decrease in capital income, particularly non-project specific income, across the current MTFP compared to that seen over the past 4– the non-project specific capital income has dropped from £38m in 22-23 to £12.5m in 23-24 alone.
- 6.5. This move away from multi-year devolved capital funds makes meaningful long-term capital planning for the area very difficult. Bidding into individual government funds means the quantity of funding which will be available is unknown, as is the areas which the Government will target investment.
- 6.6. The Combined Authority is seeking to mitigate these risks through workstream D of the improvement plan, which focusses on highlighting the position the Combined Authority is in

to help lobbying, and to identify ways to improve how bidding is handled within the area and maximise our ability to win funds until a long-term funding solution can be negotiated with Government.

- 6.7. In Table 1, the 'Earmarked Reserves' line is made up of the minimum revenue reserve, the election reserve and a top-slice funding reserve. The top-slice reserve is fully committed in 2023/24 so nil beyond that. The 'EU Funds' are a combination of both European Research Development Funding and European Social Funding grants. Other Transport and Other Business and Skills funds are made up of accumulated small grants in those areas.
- 6.8. The Business Board's revenue funds are a combination of locally retained enterprise zone receipts and interest on loans made from the recycled capital funding sources.
- 6.9. In Table 2 the 'Capital Single Pot' is made up of both Capital gainshare and Transforming Cities Funds.
- 6.10. These tables indicate that all revenue and capital expenditure lines included within the 2023/24 budget envelope and the MTFP, including both 'approved' and 'subject to approval' expenditure, are affordable and provide a balanced budget.

Table 1 - CPCA Revenue Funding Summary

Source of Funding	2023/24					2024/5				2025/6				2026/27			
	Forecast balance at 1/4/23	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Revenue Single Pot	(10,034)	(7,740)	7,562	1,963	(8,249)	(7,740)	8,225	1,685	(6,079)	(8,000)	8,665	1,390	(4,024)	(7,740)	8,601	1,390	(1,773)
Earmarked Reserves	(2,288)	(260)	242	-	(2,306)	(260)	-	-	(2,566)	-	780	-	(1,786)	(260)	-	-	(2,046)
Mayoral Precept	-	(3,624)	3,624	-	-	(3,691)	3,691	-	-	(3,760)	3,760	-	-	(3,835)	3,835	-	-
Transport Levy	(748)	(13,495)	13,495	-	(748)	(13,770)	13,770	-	(748)	(14,051)	14,051	-	(748)	(14,332)	14,332	-	(748)
Business Board Revenue Funds	(552)	(1,033)	806	-	(779)	(1,004)	388	-	(1,395)	(986)	388	-	(1,993)	(986)	388	-	(2,591)
Other Business	(12)	(2,301)	779	1,522	(12)	(5,605)	739	4,866	(12)	(621)	621	-	(12)	(621)	621	-	(12)
EU funds	(96)	(635)	731	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Zero Hub	(643)	-	488	-	(155)	-	-	-	(155)	-	-	-	(155)	-	-	-	(155)
Adult Education Budget (AEB)	(2,400)	(12,927)	12,927	-	(2,400)	(12,927)	12,927	-	(2,400)	(12,927)	12,927	-	(2,400)	(12,927)	12,927	-	(2,400)
Other Skills	(1,021)	(4,455)	5,477	-	1	(1,472)	1,472	-	1	-	-	-	1	-	-	-	1
Other transport	(1,454)	(411)	711	617	(537)	(411)	411	-	(537)	(411)	411	-	(537)	(411)	411	-	(537)
Total	(19,249)	(46,881)	46,842	4,102	(15,186)	(46,880)	41,623	6,551	(13,892)	(40,755)	41,603	1,390	(11,654)	(41,111)	41,114	1,390	(10,261)

Table 2 - CPCA Capital Funding Summary

Source of Funding	2023/24					2024/5				2025/6				2026/27			
	Forecast balance at 1/4/23	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Capital Single Pot	(57,249)	(12,000)	20,909	38,796	(9,544)	(12,000)	8,158	4,529	(8,857)	(12,000)	3,367	1,065	(16,425)	(12,000)	-	-	(28,425)
Capital contingency reserve	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)
Net Zero Retrofit Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	(7,863)	-	4,628	-	(3,235)	-	3,130	-	(105)	-	-	-	(105)	-	-	-	(105)
Recycled Growth Funds / Getting Building Fund	(15,033)	(522)	8,040	-	(7,515)	(522)	1,136	-	(6,901)	(184)	99	-	(6,986)	(184)	-	-	(7,170)
SPF Capital	-	(1,520)	-	1,520	-	(3,705)	-	3,705	-	-	-	-	-	-	-	-	-
DfT Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Highways Capital Grants	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-
Total	(80,145)	(41,737)	61,272	40,316	(20,294)	(43,922)	40,119	8,234	(15,863)	(39,879)	31,161	1,065	(23,516)	(39,879)	27,695	-	(35,700)

7. The Combined Authority's Budget

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

Staffing

- 7.4. Staffing budgets will be devolved from the Chief Executive to the Executive Directors, and this is reflected in the revised draft budget presented here. There is a significant inflationary pressure on staffing budgets due to the ongoing cost of living crisis, in response to this the Combined Authority has budgeted for a 5% increase in staffing costs in 2023-24 and 4% in each of the subsequent years, which is broadly in line with other Local Authorities.
- 7.5. The Combined Authority delivers relatively few services directly, and commissions the majority of its project work through delivery partners, including Constituent Councils. As the Authority's staff are therefore further removed from the construction of physical projects the majority of staff are not capitalised. This, along with the fixed costs which come with any Local Authority regardless of size, results in a higher proportion of staff costs within the revenue budget than is common in traditional Local Authorities.

Chief Executive's Office

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

- 7.7. The CXO was formed as part of the Tier 2 restructure and wider improvement plan. It incorporates the Communications, Data, Policy and Executive Support teams. As such the budgets associated with those teams – monitoring and evaluation (data), comms and website development also sit here.
- 7.8. This combination of communications, policy and data teams ensures alignment in the Combined Authority's messaging, and a single voice, whether internally with staff, at the local level with constituent authorities, businesses and skills providers, and at the national level in contributing to priorities shared across the Combined Authorities nationally and discussions with Central Government.

Response funds

- 7.9. The Corporate Response Fund enables the organisation to react to emerging ideas, concepts, and central Government policy. Use of this funding requires the approval of the Chief Executive.
- 7.10. The "Programme Response Fund" allows flexibility to respond to emerging issues and opportunities. The Programme Response Fund is 'Subject to Approval' and so requires Board approval prior to allocation.
- 7.11. As the corporate and programme response funds are held centrally under the oversight of the Chief Executive, they are naturally located within the CXO where accountability is easily maintained. As these funds are called upon the budget will be vired to the relevant project budget line/s.

Resources and Performance Directorate

- 7.12. Given the 'non-discretionary' nature of the majority of the costs within the Resources and Performance (R&P) directorate, which are driven by policy and operational requirements, all the funds are deemed as "Approved".
- 7.13. The R&P directorate contains the balance of those services which support the business of the organisation where not within the CXO. They comprise finance, legal, governance and audit, procurement, HR and the Project Management Office. Two of the three statutory officers, the Monitoring Officer and the Chief Finance Officer are based in this Directorate, with the latter being the Executive Director for the area. Together they provide the foundation that supports the business, skills, transport and housing teams to deliver to the people of Cambridgeshire and Peterborough. The R&P directorate comprises professionally qualified officers with specialised knowledge, exercising best practice to serve internal officers in the delivery of the corporate objectives.
- 7.14. The key functions of this Directorate are to ensure economy and efficiency in the delivery of services by providing a balanced budget which aligns with the business plan, regulate the good conduct of members and officers, ensure that projects and programmes are effectively managed throughout their lifecycle and provide advice to the various decision-making groups, such as the CPCA Board meeting, the Overview and Scrutiny Committee and the Audit & Governance Committee. The officers of this team are constantly assessing the

work of the CPCA to ensure that decisions make best use of public funds, are lawful and meet the policy goals of the members.

- 7.15. The previously provided allowance to service borrowing has been removed from the revenue budget as there are currently no projects funded by borrowing in the capital programme. Any projects which may require borrowing in future will need to demonstrate their ability to cover their borrowing costs to be considered prudential.
- 7.16. The forecast income from the Combined Authority's Treasury Management portfolio has been increased to reflect the rise in UK interest rates.
- 7.17. It holds responsibility for the programme management office (PMO), providing management, monitoring and evaluation across the Combined Authority's portfolios of projects. The PMO oversees the project delivery pipeline and provides valuable management support for specific Projects.
- 7.18. As a best value authority, the Combined Authority seeks to recover the total costs of its staff, including corporate overheads, when posts are funded from either specific grants, or recharged to subsidiary companies. As the majority of those services are within the R&P directorate, the income from those overhead recharged are shown within the directorate to allow an easy estimation of the net costs of corporate functions.

Economy and Growth Directorate

- 7.19. Our vision is to deliver the Board's goal of doubling our economy, under the devolution deal, in a way that is fairer, more inclusive, and would not happen without the activity and programmes of the Combined Authority. One that is greener for the planet, transforms life chances and healthier for our communities.
- 7.20. Our mission is to level-up the opportunity of access to both high-quality education and high-quality employment, in order to tackle persistent inequalities in economic, social and health outcomes across our communities.
- 7.21. The new Employment and Skills Strategy and Economic Growth Strategy, both approved by the CA Board in 2022 set out challenges and opportunities to deliver on the overarching vision defined in the devolution deal.
- 7.22. The Employment and Skills Strategy recognises that to address the systemic skills challenges is a long term project and therefore a number of longer term system change outcomes have been identified. This year we will work with partners to drive forward this ambition.
- 7.23. In terms of employment and skills this means:
 - **Inspiring more young people into careers that can transform their life chances**, raising social mobility across the Combined Authority, and especially in Peterborough and Fenland which are ranked 191st and 319th respectively, out of 324 local authority

districts, putting them in the bottom 40% and 2% respectively of places nationally.

- **Tackling the inequalities in access to further (FE) and higher education (HE)** that hold back life chances and progress to improve related health and social outcomes. Building FE and HE capacity to provide more adults, of all ages, with an education able to improve their access to better jobs and prosperity, raising the proportion of the population in the north from just 30% gaining a NVQ4 or above qualification to the 43% national average. Chief amongst our aspirations to raise life chances through education, is the establishment and development of a university for Peterborough and the Fens.

- 7.24. However, filling the higher-level skills gap in Peterborough and the Fens, will have limited impact on real lives, without effective measures to significantly grow the business demand for those skills. This will require, concurrent development of the innovation and business support eco-system to grow indigenous high-value firms and attract new ones, more evenly across our places.
- 7.25. Green and inclusive business growth support is key to levelling-up, already well underway through an integrated and powerful array of support that accelerates our recovery by strengthening our businesses and workforce capacity for rebound and regrowth. The Growth Works Service is enabling this as it enters its third year of delivery in 2023, providing significant job growth from the programme and a legacy of job growth for the Business Board over the next 5 years. This service will continue to deliver during 2023 with evaluation and design to be undertaken to inform the next iteration of business support provision, working with the Business Board to bring forward proposals that deliver against the new Economic Growth Strategy.

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

- **A Growth Coaching Service** to engage and support our highest potential firms to speed their growth, build their capacity for growth, and sustain their period of growth.
 - **An Inward Investment Service** to better connect us into global markets, to engage and persuade firms to locate into our economy or invest in our strategic projects.
 - **A Skills Brokerage Service** to link learners and those retraining for new jobs, to employers and skills providers to improve the supply of skills to our growth sectors.
 - **A Capital Growth Investment Fund** to help SMEs, grow through organic expansion, offering an integrated range of grants, loans and equity products unavailable commercially.
- 7.26. Contributing to delivery of Levelling Up across all of the Combined Authority will be the portfolio of projects being delivered via the UK Shared Prosperity Fund and Rural England Prosperity Fund, which during 2023-24 will comprise targeted interventions, outputs and outcomes in Communities and Place plus Local Business pillars of the programme.
- 7.27. **Place based innovation is key to levelling-up.** However, replicating the “Cambridge Phenomenon”, that has taken five decades to organically evolve and develop, requires a specifically designed and long-term programme of interventions that balance supply of

improved human capital with the demand for it, created by indigenous and inward business growth, that is higher value, requiring higher level skills. As demonstrated in Cambridge, research is fundamental to achieving this - it produces the new ideas and technologies that enable entrepreneurs to start up, existing businesses to scale-up; and for new tech-firms to spin-out of universities. Having won funding for, and started construction on, the first three buildings of the university campus in Peterborough, now is the time to deliver on the CPIER ambition to increase innovation-based business growth in the north by replicating and extending the infrastructure and networks that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide innovation eco-system to promote inclusive growth. Future phases of the university project will realise this ambition.

Place and Connectivity Directorate

Transport

- 7.28. The Combined Authority is the area's Strategic Transport Authority, as such it has responsibility for creating and owning the statutory Local Transport and Connectivity Plan (LTCP) – this sets out the long-term strategy to improve transport for both the people and businesses of Cambridgeshire and Peterborough, with our constituent Council's Local Plans adhering to the LTCP. Reflecting the impact that internet connectivity has on transport needs, the Combined Authority has rolled Connectivity into the Plan forming the LTCP; following public engagement and a formal public consultation the final document will be presented to the Combined Authority Board in March 2023 (subject to the release of government guidance). Following this, next year the Combined Authority will be finalising its delivery plan that will illustrate a golden thread between the Plan's objective and the work programme and pipeline of schemes for the region. In addition, further work will be undertaken to develop child documents within the Plan's suite, such as modal and geographical specific strategies and policies.
- 7.29. Along with the LTCP the Combined Authority has responsibility for shaping the bus network across the region. This includes paying for concessionary fares as well as supporting bus services to ensure that remote areas of the County are not excluded. The Combined Authority with partners have revised our Bus Service Improvement Plan that was previously submitted to government following collaborative working with our local bus services, the Greater Cambridge Partnership and the Local Highways Authorities. The BSIP strongly aligns to the emerging Bus Strategy that sets out our vision for a bus network for the area that is fast, frequent, reliable, and ready to help drive a modal shift in transport.
- 7.30. The landscape for bus provision across the region has changed markedly over the last couple of years, giving a need to revisit the strategy for taking the bus network forward. There are significant challenges – lower patronage, cuts in commercially-viable services and increasing unreliability due to traffic and driver shortages. Meanwhile, the ambitions for what the bus network needs to achieve are growing, as set out in the Combined Authority's Local Transport and Connectivity Plan to dramatically boost bus provision and in parallel cut private vehicle travel by 15%. Achieving this will see bus patronage more than double, compared to 2019 levels, with some 60-75 million passenger journeys anticipated. Therefore, the Combined Authority will be restarting its consideration of different options,

including franchising, for the area.

- 7.31. The Transport team also programme manage a portfolio of large capital projects delivering journey improvements and public health benefits across the region to help deliver the Combined Authority's commitment to double GVA – these projects are predominantly funded by the Transforming Cities Fund, a £95m fund devolved to the area with the Combined Authority able to direct to where it will create the greatest impact.

Climate Change and Spatial Planning

- 7.32. This area leads on strategic planning with responsibility for an overall spatial framework for the area and development in 2023 of a statutory local nature recovery strategy. It supports implementation of the Climate Action Plan, taking forward the recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate, with wide ranging implications for both the public and private sectors in the Combined Authority area.
- 7.33. This area also manages specific projects including the digital connectivity programme, covering broadband, mobile and public access Wifi. This is to ensure that Cambridgeshire and Peterborough have leading-edge digital connectivity infrastructure needed for local businesses to thrive, make it easier to access public services, and that no communities are left behind.

Affordable Housing programme

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

Community Led Housing

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

Prospects for housing programmes beyond March 2023

- 7.38. There is no expectation of there being any additional DLUHC money available that could

provide a funding source.

- 7.39. CPCA will continue to support community led housing schemes as referred above.
- 7.40. The CPCA should retain some basic capability to bid for any future Housing grant or funding opportunities that may arise and this is reflected in the revised Tier 2 structure as the housing programme shifts from it's own directorate to be incorporated in Place and Connectivity.
- 7.41. The programme to March 2023 needs to be managed to completion with phased grant payments being required as developments pass through construction stages to practical completion. The balance of the final housing loan with Laragh homes at Histon Road Cambridge is due for re-payment in May 2023 and needs to be monitored.

8. Section 25 Statement

- 8.1. Section 25 of the Local Government Act 2003 places requirements on the Section 73 Officer in determining the Authority's budget for the forthcoming financial year to report on the robustness of the estimates made for the purposes of the calculations and on the adequacy of the proposed financial reserves. This assessment is based upon the current pause on funding from the Department of Levelling-Up, Housing and Communities ceasing, the Combined Authority continuing to operate on an on-going basis, and with a minimum £20m gainshare (£8m revenue and £12m capital) to be funded from Central Government. This section sets out the Section 73 Officer's view of the budget and medium-term financial plan.
- 8.2. In response to the increased level of inflation, volatility seen in markets over 2022, and action taken in-year by service providers which has resulted in a substantial unanticipated overspend on passenger transport, the level of reserves has been revisited since the setting of the 2022-23 budget.
- 8.3. The previous budget included a minimum revenue reserve of 2% of gross expenditure, with some elements of the budget excluded where risk of overspend is accounted for by other means, in light of the Authority's current operating environment this has been increased to 4.5% (£1.8m in 23-24) which is considered sufficient to enable the Authority to meet unanticipated in-year overspends.
- 8.4. The increase in materials costs for construction has outstripped average inflation over the last 12 months, this is causing many Local Authorities to revisit the phasing and affordability of their capital programmes. While capital project budgets all include a level of risk within them many of these will have been arrived at before the unanticipated disruption and price escalation caused by COVID and the invasion of Ukraine. In order to increase the Combined Authority's flexibility to meet pressures above the risk allowances the minimum capital reserve level has been increased to £1.5m and is held at this level over the MTFP.
- 8.5. The reserve is not being reduced over the MTFP, despite reduced forecast capital expenditure, because the Combined Authority's future capital spend will likely be significantly higher than the MTFP suggests as further funding is won through bidding on as-yet unknown funding opportunities from Government. As Government grants place risk

for overspends on the recipient it is prudent for the Combined Authority to maintain a reasonable level of capital reserve to account for this.

- 8.6. While this does create a provision for overspend, £1.5m against a £94m 4-year capital programme is still relatively small so the Authority should continue to maintain its primary role as a funding body, with risk remaining with project sponsors who apply for the funding and control the delivery of projects, rather than allowing risk to be transferred to the Authority.
- 8.7. This report focuses on the budget and financing of the Authority over the next 4 years. The paper identifies a sustainable budget and MTFP for the period within the resources available to the Combined Authority. The revenue budget identifies clear allocations to progress the major priorities of the Combined Authority. There are multiple, and sometimes unpredictable, calls on the Combined Authority's limited revenue funding streams, so the use and balance of these funds will be monitored very closely throughout the financial year. The wider Medium-Term Financial Plan provides a clear financial plan that allows the Board to manage and monitor its financial performance as well as deliver its objectives. Resources are clearly identified against priorities. The assumptions and numbers are a fair reflection of the commitments of the Combined Authority.
- 8.8. There is uncertainty over the medium-term funding of Combined Authorities nationally. Looking ahead to the next four years most of the major devolved capital funds which the Combined Authority has had access to – Transforming Cities Fund, Devolved Affordable Housing Funds and Local Growth Funds – have come to an end. This will leave the Combined Authority with significantly reduced funding to deliver its aims; in the absence of replacement funding it will be more reliant on bidding into central government funding pots for specific projects. While the Levelling Up white paper, and reports of what is being discussed for 'trailblazer' devolution deals with Manchester and West Midlands' Combined Authorities, give hope that there may be more devolved funding arrangements in the future it is prudent for the Combined Authority to plan assuming the current approach will continue and that we will be more dependent on bidding to deliver the strategic projects, and sustainable growth ambitions, of the area. In practical terms this means maintaining the ability to react to government calls for projects, and deliver nationally competitive business cases, to maximise the funding that the area can call down from Government – this is being developed as part of the improvement plan.
- 8.9. The Capital Programme identifies funding to deliver specific schemes over the period. It will utilise Gainshare Capital to deliver on devolution aspirations such as Digital Connectivity, to continue the regeneration of Market Towns and some transport priorities. It also looks to maximise the benefit of the Transforming Cities Fund towards major Transport priorities and Recycled Growth Fund to stimulate job creation in the local economy. The programme also includes the balance of the dedicated funding for affordable housing in the region from DLUHC. The estimates for the programmes are based upon reasonable estimates across the organisation. Importantly the committed expenditure can be controlled across the years.
- 8.10. The overall budget and Medium-Term Financial Plan allows development of the Combined Authority's ambition within existing resources. While there is no specific funding capacity built into the budget to support borrowing, the Combined Authority has the power to borrow to deliver projects should an appropriate, revenue generating, project be brought forward.

- 8.11. A separate report on this Agenda describes the Business Plan for 2023/24 in more detail. The proposed budget has been developed alongside that plan

Conclusion

- 8.12. The Section 73 Officer considers that the Authority's budget for the forthcoming financial year is based on robust estimates made for the purposes of the calculations and that the proposed financial reserves are adequate to support the budget and Medium-Term Financial Plan.

Significant Implications

9. Financial Implications

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

10. Legal Implications

- 10.1. The budget setting process is as set out in Chapter 7 of the Combined Authority's Constitution

11. Appendices

- 11.1. Appendix 1 – 2023/24 Revenue Budget and Medium-Term Financial Plan
- 11.2. Appendix 2 – Capital Programme 2023/24 to 2026/27
- 11.3. Appendix 3 – Summary of Budget and MTFP Consultation Feedback and Responses

12. Background Papers

- 12.1. Cambridgeshire and Peterborough Combined Authority Constitution
[Link to document on Combined Authority Website](#)

Appendix 1a – Draft Chief Executive Office Revenue Budget, including the Mayor's draft budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
	<u>Mayor's Budget</u>				
96	Mayor's Allowance	102	106	110	114
15	Mayor's Conference Attendance	10	10	10	10
40	Mayor's Office Expenses	18	18	18	18
77	Mayor's Office Accommodation	24	24	24	24
260	Mayor's Office Staff				
-	Election Costs	-	-	1,040	-
-	Precept funded contribution to operational budgets	3,624	3,691	3,760	3,835
392	Total Mayoral Office costs	3,778	3,849	4,962	4,001
	<u>Chief Exec Office Net Staffing</u>				
276	CEO	290	301	313	326
209	Executive Assistants	284	300	316	333
422	Communications Team	441	464	487	511
122	Data Team	179	190	200	211
-	Policy Team	399	433	468	494
-	Mayoral Advisors	100	107	113	117
1,028	Total CX Officer Staffing	1,692	1,796	1,897	1,993
	<u>Comms and Engagement</u>				
40	Communications	35	35	35	35
10	Website Development	10	10	10	10
50	Total Comms and Engagement Costs	45	45	45	45
	<u>Monitoring and Evaluation Costs</u>				
102	Monitoring and Evaluation Framework	70	70	70	70
102	Total Monitoring and Evaluation Costs	70	70	70	70
	<u>Response Funds</u>				
145	Corporate Response Fund	145	145	145	145
	Programme Response Fund				
750	<i>Approved</i>	-	-	-	
440	<i>Subject to Approval</i>	1,290	1,290	1,290	1,290
1,335	Total Response Funds	1,435	1,435	1,435	1,435
2,563	Total Chief Exec Office Approved Budgets	5,730	5,905	7,119	6,254
440	Total Chief Exec Office Subject to Approval Budgets	1,290	1,290	1,290	1,290
3,003	Total Chief Exec Office Revenue Expenditure	7,020	7,195	8,409	7,544

Appendix 1b – Resources and Performance Revenue Budget

2022/23 £000's		2023/24 £000's	2024/25 £000's	2025/6 £000's	2026/27 £000's
	R&P Staffing				
188	Exec Director	169	186	204	222
636	Legal & Governance	770	830	878	922
155	Procurement	163	173	183	194
663	Finance	740	819	857	897
262	Human Resources & Organisational Development	237	265	282	301
204	PMO	217	230	243	257
-					
2,107	Total Combined Authority Staffing Costs	2,297	2,503	2,647	2,793
	Other Employee Costs and Corporate Overheads				
300	Accommodation Costs	212	212	212	212
31	Office running costs	32	32	32	32
80	Travel and professional memberships	88	88	88	88
88	Training	61	52	52	52
56	Corporate Subscriptions	56	56	56	56
162	Change Management Reserve	158	160	160	160
717	Total Other Employee Costs	609	601	601	601
	Legal, Governance and Member Services				
70	External Legal Counsel	70	70	70	70
95	Democratic Services	95	95	95	95
144	Committee/Business Board Allowances	144	144	144	144
309	Total Legal, Governance and Member Services Costs	309	309	309	309
	Finance and Procurement				
65	Finance Service	66	67	68	69
8	Procurement	8	8	8	8
100	Finance System	-	-	-	-
39	Insurance	39	39	39	39
140	Audit Costs	140	140	140	140
352	Total Finance and Procurement Costs	253	254	255	256
	Financing Income				
- 1,791	Interest Receivable on Investments	- 736	- 150	- 100	- 100
-	Interest on Borrowing	-	-	-	-
- 1,791	Net Financing Income	- 736	- 150	- 100	- 100
	Human Resources & Organisational Development				
12	HR systems	12	12	12	12
10	Payroll	10	10	10	10
100	Recruitment Costs	100	100	100	100
122	Total Human Resources costs	122	122	122	122
	Digital Services and Support				
221	ICT external support	221	221	221	221
113	Software Licences, Mobile Phones cost	113	113	113	113
335	Total Digital Services and Support costs	335	335	335	335

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
	<u>Workstream Budget</u>				
61	Contribution to A14 Upgrade (DfT)	72	72	72	72
61	Total Feasibility Budget	72	72	72	72
	<u>Overhead Recharges</u>				
-	Internally Recharged Grant Funded Staff				
- 473	Overheads recharged to projects	- 377	- 346	- 360	- 375
-	Externally Recharged Staff				
- 473	Total Recharges to Grant Funded Projects	- 377	- 346	- 360	- 375
1,738	Total Resources and Performance Approved Budgets	2,884	3,699	3,880	4,013
-	Total Resources and Performance Subject to Approval	-	-	-	-
1,738	Total Resources and Performance Budgets	2,884	3,699	3,880	4,013

Appendix 1c – Economy and Growth Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
	<u>E&G Net Staffing</u>				
228	Exec Director	272	322	351	383
68	Business & Growth	286	341	358	374
-	Growth Hub	-	-	-	-
65	Skills	201	331	360	388
20	University of Peterborough	53	171	183	197
-	Adult Education Budget	-	-	-	-
382	Total E&G net staffing	812	1,165	1,252	1,343
	<u>Business Engagement and Growth</u>				
930	CRF Start and Grow Project	-	-	-	-
53	CRF Programme Management	-	-	-	-
41	Economic Rapid Response	-	-	-	-
4,947	Growth Co Services	1,429	-	-	-
-	Growth Hub	41	246	246	246
-	Growth Works Additional Equity Fund (rev)				
61	<i>Approved Expenditure</i>	156	156	127	-
-	<i>Subject to Approval</i>	-	-	-	-
75	Insight & Evaluation Programme	75	75	75	75
426	Local Growth Fund Costs	242	-	-	-
35	Market Towns & Cities Strategies	-	-	-	-
45	Marketing and Promotion of Services	38	35	33	30
77	Shared Prosperity Fund Evidence Base & Pilot Fund	-	-	-	-
	UK Shared Prosperity Fund - Revenue				
-	<i>Approved Expenditure</i>	-	-	-	-
810	<i>Subject to Approval</i>	1,522	4,866	-	-
118	UK Shared Prosperity Fund - Management Costs	158	118	-	-
7,618	Total Business Engagement and Growth Costs	3,661	5,496	481	351

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
	<u>Skills</u>				
10,977	AEB Devolution Programme	11,081	11,081	11,081	11,081
629	AEB Innovation Fund - Revenue	500	500	500	500
954	AEB Level 3 Courses	954	954	954	954
367	AEB Programme Costs	367	367	367	367
156	AEB Provider Capacity Building	-	-	-	-
196	AEB Strategic Partnership Development	-	-	-	-
75	Careers and Enterprise Company (CEC)	151	77	-	-
60	Changing Futures	60	60		
307	CRF Turning Point Project	-	-	-	-
28	CRF Turning Point CPCA Programme Management	-	-	-	-
1,785	Digital Skills Bootcamp	-	-	-	-
-	FE Cold Spots (rev)				
225	<i>Approved Expenditure</i>	-	-	-	-
-	<i>Subject to Approval</i>	-	-	-	-
2,467	Health and Care Sector Work Academy	-	-	-	-
1,209	Multiply Programme	1,395	1,395	-	-
40	Skills Advisory Panel (SAP) (DfE)	-	-	-	-
3,914	Skills Bootcamp Wave 3	978	-	-	-
	Skills Bootcamp Wave 4	2,878			
27	Skills Rapid Response	-	-		
	Total Skills and Human Capital Costs	18,364	14,434	12,902	12,902
	<u>University of Peterborough</u>				
100	Peterborough University Quarter Masterplan	-	-	-	-
100	Total University of Peterborough Costs	-	-	-	-
6,808	Total Economy and Growth Approved Budgets	21,315	16,229	14,635	14,596
810	Total Economy and Growth Subject to Approval	1,522	4,866	-	-
7,618	Total Economy and Growth Revenue Expenditure	22,837	21,095	14,635	14,596

Appendix 1d – Place and Connectivity Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
	<u>P&C Net Staffing</u>				
187.5	Exec Director	169	186	204	222
694.1	Strategic Transport	709	750	781	812
-	Passenger Transport	-	-	-	-
345.3	Housing	167	175	182	190
-	Net Zero Hub	-	-	-	-
305.6	Climate Change & Spatial Strategy	245	257	271	285
1,533	Total P&C staffing	1,290	1,370	1,438	1,509
	<u>Climate Action and Spatial Planning</u>				
-	City of Cambridge Culture - Revenue				
-	Approved Project Costs	-	-	-	
43	Subject to Approval	113	75	-	
-	Climate Change				
100	Approved Project Costs	50	-	-	
50	Subject to Approval	50	100	100	100
-	Doubling Nature Metrics				
25	Approved Project Costs	50	50	-	
-	Subject to Approval	-	-	-	
-	Greater Cambridge Chalk Stream Project - Revenue				
-	Approved Project Costs	-	-	-	
40	Subject to Approval	40	40	-	
-	Huntingdonshire Biodiversity for all - Revenue				
50	Approved Project Costs	50	50	-	
-	Subject to Approval	-	-	-	
-	Lifebelt City Portrait				
40	Approved Project Costs	40	-	-	
-	Subject to Approval	-	-	-	
-	Meanwhile at Core Site, North East Cambridge - Revenue				
-	Approved Project Costs	-	-	-	
10	Subject to Approval	55	55	-	
-	Natural Cambridgeshire				
70	Approved Project Costs	70	70	-	
-	Subject to Approval	-	-	-	
-	Non-Statutory Spatial Framework (Phase 2)				
55	Approved Project Costs	-	-	-	
50	Subject to Approval	190	50	-	
-	Rewilding Programme				
-	Approved Project Costs	-	-	-	
-	Subject to Approval	75	75	-	
533	Total Climate Action and Spatial Planning Costs	783	565	100	100
	<u>Energy Hub</u>				
2,186	GSE Net Zero Hub	266	-	-	-
23	GSE COP 26	-	-	-	-
699	GSE Green Homes Grant Sourcing Activity	-	-	-	-
10,601	GSE Green Homes Grant Ph 3 (LAD 3)	-	-	-	-
4,443	GSE Home Improvement Grant	-	-	-	-
1,500	GSE Net Zero Investment Design	-	-	-	-
1,150	GSE Public Sector Decarbonisation	222	-	-	-
1,975	GSE Rural Community Energy Fund (RCEF)	-	-	-	-
22,577	Total Energy Hub Costs	488	-	-	-

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
	<u>Housing</u>				
	CLT				
70	Approved Project Costs	70	70	70	
50	Subject to Approval	50	-		
120	Total Housing Costs	120	70	70	-
	<u>Passenger Transport</u>				
1,008	Bus Review Implementation	-	-	-	
-	Develoment of Bus Franchising	900	-	-	-
337	Local Transport Fund	-	-	-	
411	Public Transport: Bus Service Operator Grant	411	411	411	411
8,845	Public Transport: Concessionary fares	8,915	9,093	9,275	9,460
286	Public Transport: Contact Centre	292	298	304	310
-	Public Transport: ENCTS rationalisation	-	-	-	-
221	Public Transport: RTPI, Infrastructure & Information	325	332	339	345
-	Public Transport: S106 supported bus costs	-	-	-	-
3,422	Public Transport: Supported Bus Services	7,015	7,155	7,298	7,444
	Contribution to Passenger Transport services from Mayoral bus	- 3,624	- 3,691	- 3,760	- 3,835
456	Public Transport: Team and Overheads	572	584	595	607
	Total Passenger Transport approved costs	14,806	14,181	14,462	14,743
-	<u>Strategic Transport</u>				
-	A142 Chatteris to Snailwell				
-	Approved Project Costs	-	-	-	
150	Subject to Approval	-	-	-	
	Active Travel Capability Funding				
-	Approved Project Costs	-	-	-	-
206	Subject to Approval	617	-	-	-
-	Active Travel Funding (rev)				
-	Approved Project Costs	-	-	-	
100	Subject to Approval	100	-	-	
-	Development of Key Route Network				
-	Approved Project Costs	-	-	-	
150	Subject to Approval	-	-	-	
-	Harston Capacity Study				
-	Approved Project Costs	-	-	-	
150	Subject to Approval	-	-	-	
-	Local Transport Plan				
-	Approved Project Costs	-	-	-	
100	Subject to Approval	-	-	-	
-	P'boro electric busses business case				
40	Approved Project Costs	-	-	-	
110	Subject to Approval	-	-	-	
-	P'boro Station Quarter SOBC				
175	Approved Project Costs	-	-	-	
16	Subject to Approval	-	-	-	
-	Segregated Cycling Holme to Sawtry				
-	Approved Project Costs	-	-	-	
100	Subject to Approval	-	-	-	
	Total Strategic Transport Costs	717	-	-	-
40,059	Total Place and Connectivity Approved Costs	16,914	15,790	15,969	16,252
1,325	Total Place and Connectivity Subject to Approval Costs	1,290	395	100	100
41,383	Total Place and Connectivity Revenue Expenditure	18,204	16,185	16,069	16,352

Appendix 2a – Chief Executive’s Office and Resources and Performance Capital Programmes

2022/23		2023/24	2024/25	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	<u>Monitoring and Evaluation Costs</u>				
	Transport Modelling		-		
740	Approved Project Costs	-	-	-	-
1,136	Subject to Approval	585	215	215	-
1,876	Total Monitoring and Evaluation Costs	585	215	215	-
740	Total Chief Exec Approved Capital Projects	-	-	-	-
1,136	Total Chief Exec Costs Subject to Approval	585	215	215	-
1,876	Total Chief Exec Capital Projects	585	215	215	-

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£'000
	<u>Accommodation</u>				
	Office Fit-out costs				
200	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
200	Total Accommodation Costs	-	-	-	-
	<u>Digital Services and Support</u>				
	ICT Capital				
42	Approved Project Costs	42	42	42	-
-	Subject to Approval				
42	Total Digital Services and Support Costs	42	42	42	-
242	Total Resources and Performance Approved Capital Projects	42	42	42	-
-	Total Resources and Performance Costs Subject to Approval	-	-	-	-
242	Total Resources and Performance Capital Projects	42	42	42	-

Appendix 2b – Economy and Growth Capital Programme

2022/23		2023/24	2024/25	2025/6	2026/27
£,000		£,000	£,000	£,000	£'000
	<u>Business Board</u>				
	Barn4 specialist growing facilities				
400	Approved Project Costs	-	-	-	-
	Business Rebound & Growth Service - Capital Grant and Equity Fund				
1,822	Approved Project Costs	7,160	-	-	-
	Cambridge Biomedical MO Building				
185	Approved Project Costs	-	-	-	-
	Cambridge City Centre				
481	Approved Project Costs	-	-	-	-
	Expansion of Growth Co Inward Investment				
400	Approved Project Costs	-	-	-	-
	Fenland High-tech Futures				
400	Approved Project Costs	-	-	-	-
	Growth Works Additional Equity Fund (cap)				
-	Approved Project Costs	2,850	3,325	3,325	-
-	Subject to Approval	-	-	-	-
	Illumina Accelerator				
1,700	Approved Project Costs	-	-	-	-
	Metalcraft (Advanced Manufacturing)				
487	Approved Project Costs	-	-	-	-
	College of West Anglia - Net Zero				
274	Approved Project Costs	850	876	-	-
	IEG Student Space				
7	Approved Project Costs	30	260	99	-
	South Fen Business Park				
946	Approved Project Costs	-	-	-	-
	Start Codon (Equity)				
1,475	Approved Project Costs	-	-	-	-
8,577	Total Business Board Costs	10,890	4,461	3,424	-

2022/23		2023/24	2024/25	2025/6	2026/27
£,000		£,000	£,000	£,000	£'000
	<u>Business Engagement and Growth</u>				
	Rural England Fund				
-	Approved Project Costs				
-	Subject to Approval	804	2,411	-	-
	UK SPF Core (cap)				
-	Approved Project Costs	-	-	-	-
270	Subject to Approval	716	1,294	-	-
	Market Towns and Villages				
-	Approved Project Costs	-	-	-	-
1,250	Subject to Approval	1,250	-	-	-
	Market Town Master Plan Implementation				
8,723	Approved Project Costs	1,959	-	-	-
1,802	Subject to Approval	195	-	-	-
	St Neots Masterplan Capital				
215	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
12,260	Total Business Engagement and Growth Costs	4,924	3,705	-	-
	<u>Skills</u>				
	FE Cold Spots (cap)				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	2,400	2,175	-	-
-	Total Skills and Human Capital Costs	2,400	2,175	-	-
17,515	Total Approved Business and Skills Capital Projects	12,849	4,461	3,424	-
3,322	Total Business and Skills Project Costs Subject to Approval	5,365	5,880	-	-
20,837	Total Business and Skills Capital Projects	18,214	10,341	3,424	-

Appendix 2c – Place and Connectivity Capital Programme

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	<u>Climate Action and Spatial Planning</u>				
	Care Home Retrofit Programme				
500	Approved Project Costs	1,500	-	-	-
-	Subject to Approval	-	-	-	-
	City of Cambridge Culture - Capital				
-	Approved Project Costs	-	-	-	-
183	Subject to Approval	153	30	-	-
	Greater Cambridge Chalk Stream Project - Capital				
-	Approved Project Costs	-	-	-	-
100	Subject to Approval	100	100	-	-
	Huntingdonshire Biodiversity for all - Capital				
300	Approved Project Costs	400	500	-	-
-	Subject to Approval	-	-	-	-
	Logan's Meadow Local Nature Reserve wetland extension				
250	Approved Project Costs	30	-	-	-
-	Subject to Approval	-	-	-	-
	Meanwhile at Core Site, North East Cambridge				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	1,000	-	-	-
	Nature and Environment Investment Fund				
-	Approved Project Costs	250	750	-	-
-	Subject to Approval	-	-	-	-
	Net Zero Villages Programme				
750	Approved Project Costs	250	-	-	-
-	Subject to Approval	-	-	-	-
	Waterbeach Depot Solar PV Smart-grid Project for electric Refuse Collection Vehicles				
-	Approved Project Costs	-	-	-	-
2,000	Subject to Approval	700	-	-	-
4,083	Total Climate Action and Spatial Planning Costs	4,383	1,380	-	-
	<u>Energy Hub</u>				
	Green Home Grant Capital Programme - LAD 2				
16,634	Approved Project Costs	-	-	-	-
	Green Home Grant Capital Programme - LAD 3				
28,965	Approved Project Costs	-	-	-	-
	Green Home Grant Capital Programme - HUG 1				
11,701	Approved Project Costs	-	-	-	-
57,300	Total Energy Hub Costs	-	-	-	-
	<u>Housing</u>				
	Affordable Housing Grant Programme				
8,719	Approved Project Costs	11,359	3,130	-	-
-	Subject to Approval	-	-	-	-
	Housing Investment (revolving) Fund				
(26,860)	Approved Project Costs	(6,731)	-	-	-
-	Subject to Approval	-	-	-	-
(18,141)	Total Housing Costs	4,628	3,130	-	-

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	<u>Passenger Transport</u>				
	ZEBRA				
6,258	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
6,258	Total Passenger Transport Costs	-	-	-	-
	<u>Strategic Transport</u>				
	A10 Upgrade				
3,993	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	A1260 Nene Parkway Junction 15				
7,111	Approved Project Costs	900	-	-	-
-	Subject to Approval	-	-	-	-
	A1260 Nene Parkway Junction 32-3				
711	Approved Project Costs	-	-	-	-
-	Subject to Approval	5,850	-	-	-
	A141 & St Ives				
1,737	Approved Project Costs	5,715	-	-	-
-	Subject to Approval	-	-	-	-
	A16 Norwood Dualling				
227	Approved Project Costs	1,200	-	-	-
-	Subject to Approval	-	-	-	-
	A505 Corridor				
134	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	A603 Barton Road				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	400	-	-	-
	Active Travel Funding (cap)				
-	Approved Project Costs	-	-	-	-
830	Subject to Approval	1,500	1,779	850	-
	Addenbrookes Roundabout				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	200	-	-	-
	Brook Crossing - Sutton				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	225	-	-	-
	CAM Devlivery to OBC				
150	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	Carlisle Road Crossing				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	225	-	-	-
	Centre for Green Technology				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	2,500	-	-	-
	County-wide speed reduction				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	800	-	-	-
	Ely Area Capacity Enhancements				
124	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	Fengate Access Studies Phase 1				
155	Approved Project Costs	819	-	-	-
-	Subject to Approval	10,187	-	-	-

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	<u>Passenger Transport</u>				
	ZEBRA				
6,258	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
6,258	Total Passenger Transport Costs	-	-	-	-
	<u>Strategic Transport Cont</u>				
	Fengate Access Studies Phase 2 (University Access)				
1,322	Approved Project Costs	448	20	-	-
-	Subject to Approval	-	230	-	-
	Fletten Quays Footbridge				
465	Approved Project Costs	942	2,021	-	-
	Highways Maintenance and Pothole funding (with PCC and CCC)				
27,695	Approved Project Costs	27,695	27,695	27,695	27,695
	King's Dyke				
1,700	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	March Junction Improvements				
2,114	Approved Project Costs	1,604	-	-	-
-	Subject to Approval	3,969	-	-	-
	East Park Street Crossings				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	260	-	-	-
	Northstow P&R Link				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	500	-	-	-
	Peterborough Green Wheel				
250	Approved Project Costs	500	-	-	-
	Regeneration of Fenland Railway Stations				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	267	-	-	-
	Smaller Road Safety Measures				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	100	-	-	-
	Snailwell Loop				
150	Approved Project Costs	-	-	-	-
-	Subject to Approval	350	-	-	-
	Soham Station				
175	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	Wisbech Access Strategy				
1,573	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	Wisbech Rail				
241	Approved Project Costs	-	-	-	-
-	Subject to Approval	5,080	-	-	-
50,857	Total Strategic Transport Costs	72,236	31,745	28,545	27,695
	<u>Digital Connectivity</u>				
	Digital Connectivity Infrastructure Programme				
2,118	Approved Project Costs	1,500	1,500	-	-
-	Subject to Approval	-	-	-	-
2,118	Total Digital Connectivity Costs	1,500	1,500	-	-
99,362	Total Place and Connectivity Approved Capital Projects	48,381	35,616	27,695	27,695
3,113	Total Place and Connectivity Projects Subject to Approval	34,366	2,139	850	-
102,475	Total Place and Connectivity Capital Projects	82,747	37,755	28,545	27,695

13.

Appendix 3 – Budget 23/24 and MTFP Consultation Summary

The Combined Authority Board approved the draft budget for 2023/24 and Medium-Term Financial Plan (MTFP) for consultation purposes at its November meeting. The Board also agreed the consultees and the timetable for consultation. The consultation period lasted for six weeks from 1st December 2022 ending on 13th January 2023. Consultation documents together with links to the draft budget and MTFP were set out on the Combined Authority's website and a communications campaign was run to encourage public engagement and feedback.

As well as the consultation being accessible on the Spotlight section of the Combined Authority homepage, a public relations campaign was carried out which was picked up by some local newspapers, together with a social media promotion on social channels throughout December and into the New Year, and direct emails were sent to all constituent authority and parish councillors and shared with our Neighbourhood Watch partners.

The Combined Authority received a total of 690 responses through the website by the final response date of Friday 13th January, together with a number of e-mailed responses and a collective response from the Overview and Scrutiny Committee following their meeting to discuss the consultation held on 10th January 2023.

The number of responses received as at Monday 9th January 2023 was 232. The vast majority (78%) of the increase in responses between that date and the consultation coming to an end, were from Fenland – 359 from a total increase of 458.

The proportion of responses from Fenland of the total on 9th January was 24.57% which rose to 60.29% at the end of the consultation.

During this period the numbers of responses saying 'No' to Question 9 "To keep public transport services at current levels and not have to reduce them, would you support a mayoral precept if other funding cannot be achieved?" rose from 107 (46.12% of the total) on 9th Jan to 497 (72.03% of the total on 9th January. The numbers of respondents answering "Yes" to this question rose by 39 from 92 (39.66% of the total) to 131 (18.99%).

69.19% of the total (476 respondents) said "No" to Question 10 "Would you support a mayoral precept that would be used to deliver better services?"

The consultation was an opportunity to highlight projects and programmes within the draft budget/MTFP that align to the four areas of priority within the Combined Authority's draft strategic vision. These are:

1. Achieving Good Growth;
2. Increased Connectivity;
3. Ambitious Skills and Employment Opportunities; and
4. Enabling Resilient Communities.

All four priority areas were supported by over 60% of respondents, with the strongest support for "Better Connectivity" with 196 out of 690 (28.41%) respondents expressing "Strong Support" for this priority area. 68.26% of respondents either voiced "Strong Support" or "Support" for Creating Skills and Employment Opportunities projects.

There were 151 comments responses to the Question “Is there anything you think we've missed?”, which included a broad range of comments and suggestions covering topics such as ‘Transport’, ‘action on the green agenda’, ‘doubling nature’, ‘internal efficiencies’ ‘connectivity’, ‘support for market towns’, ‘greater support for young people’, ‘connectivity to rural communities’, ‘collaboration and partnership across the region’, ‘health and wellbeing’, support for active travel including for those with disabilities’, ‘improving energy efficiency’ and ‘Council Tax’.

All of these comments will be shared with the Board and will be considered by Officer Groups where a full evaluation of the responses will be analysed and reported on.

Tables providing details of questions asked and summaries of responses given are set out below.

Q1		Customise
Are you 18 years or older?		Add chart
Answer Choices	Responses	
Yes	<div><div></div></div>	100.00% 690
No	<div><div></div></div>	0.00% 0
Answered: 690 Skipped: 0		Response Total: 690

Q2		Customise
Which part of our region do you live/work in?		Add chart
Answer Choices	Responses	
Cambridge City	<div><div></div></div>	9.13% 63
East Cambridgeshire	<div><div></div></div>	6.81% 47
Fenland	<div><div></div></div>	60.29% 416
Huntingdonshire	<div><div></div></div>	12.90% 89
Peterborough City	<div><div></div></div>	5.94% 41
South Cambridgeshire	<div><div></div></div>	7.10% 49
Other (please specify): Show	<div><div></div></div>	2.32% 16
Answered: 690 Skipped: 0		Response Total: 690







Q3		Customise
What relationship do you have to Cambridgeshire and Peterborough? (You can select more than one option)		Add chart
Answer Choices	Responses	
I live here	<div><div></div></div>	94.93% 655
I work here	<div><div></div></div>	37.39% 258
I own a business in Cambridgeshire and Peterborough	<div><div></div></div>	7.54% 52
I am an elected member in Cambridgeshire and Peterborough	<div><div></div></div>	5.07% 35
Other (please specify): Show	<div><div></div></div>	1.74% 12
Answered: 690 Skipped: 0		Response Total: 690

Q4

Customise

ACHIEVING GOOD GROWTHWe will make investments to ensure that the economy of the area continues to grow.Focusing on increasing the value of our economy more equitably across our region increasing productivity and innovation, and attracting more businesses to bring higher wage and sustainable employment. Investment will be targeted towards those areas that need it most such as parts of the Fens, Peterborough, and Market Towns.The annual budget for this year includes continuation of the Market Towns programme, the Growth Service and Growth Hub, further use of the UK Shared Prosperity Fund, and enabling the delivery of specific sector improvements in Agri-Tech, Life Sciences and Advanced Materials and Manufacturing.How far do you support this priority?

 Add chart







Answer Choices	Responses		
Strongly support		16.96%	117
Support		43.77%	302
Neither support nor oppose		26.67%	184
Oppose		3.77%	26
Strongly oppose		5.36%	37
Not sure		3.48%	24
Answered: 690 Skipped: 0		Response Total:	690

Q5

Customise

BETTER CONNECTIVITYWe will work to make it easier to move around the region or to work or do business online.Delivering a sustainable, modern, resilient, integrated, and affordable transport system for the people and businesses of Cambridgeshire and Peterborough. Investing in digital connectivity so more people and businesses can benefit from technology.In the current annual budget this means digital connectivity infrastructure, supported bus services, active travel, our capital transport programme and more.How far do you support this priority?

 Add chart







Answer Choices	Responses		
Strongly support		28.41%	196
Support		37.39%	258
Neither support nor oppose		15.22%	105
Oppose		7.68%	53
Strongly oppose		8.26%	57
Not sure		3.04%	21
Answered: 690 Skipped: 0		Response Total:	690

Q6

Customise

CREATING SKILLS AND EMPLOYMENT OPPORTUNITIESWe will work to create an inclusive and world-class local skills system.It will raise ambitions and match the needs of our employers, learners and communities to enable a successful, globally competitive economy offering high-skilled, well-paid and good quality jobs to deliver increased productivity and prosperity for our communities.In the current annual budget this means the adult education budget, careers hubs, information and advice, skills bootcamps, the Multiply programme and more.How far do you support this priority?

 Add chart







Answer Choices	Responses		
Strongly support		21.74%	150
Support		46.52%	321
Neither support nor oppose		20.87%	144
Oppose		4.49%	31
Strongly oppose		4.49%	31
Not sure		1.88%	13
Answered: 690 Skipped: 0		Response Total:	690

Q7

Customise

ENABLING RESILIENT COMMUNITIESWe will make a range of investments to tackle future climate change as well as supporting communities to adapt.We will address the decline in biodiversity and enable communities to respond to financial and social crises, looking to extend cultural opportunities for Cambridgeshire and Peterborough to be a great place to live and work.In this year's budget this means the climate change action plan, chalk stream project for water sufficiency, the rewilding programme, care home retrofitting, renewable energy smart grids (Waterbeach Depot), city of culture activities and more.How far do you support this priority?

 Add chart




Answer Choices	Responses		
Strongly support		21.16%	146
Support		39.42%	272
Neither support nor oppose		21.45%	148
Oppose		7.83%	54
Strongly oppose		7.54%	52
Not sure		2.61%	18
Answered: 690 Skipped: 0		Response Total:	690

Q9

Customise

At present there is an anticipated pressure of £3.5million for supported bus services in 2023/24. We are currently exploring ways to meet this. Potential options to address the pressure are:1. Successfully lobby for more funding from central Government2. Reduce the subsidised bus services provided3. Levy a Mayoral precept - this is an additional amount of council tax that would be paid by everyone in the Cambridgeshire and Peterborough area who currently pays council tax. A Mayoral precept usually is a small sum, other mayoral combined authorities nationally charge £10-£30 total per household per year, added to your council tax charge that is ringfenced specifically for the mayor's approved priority. In our region, each £1 annually on the council tax bill will result in nearly £300k of income to support services.To keep public transport services at current levels and not have to reduce them, would you support a mayoral precept if other funding cannot be achieved?

 Add chart



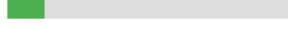
Answer Choices	Responses		
Yes		18.99%	131
No		72.03%	497
Perhaps		8.99%	62
Answered: 690 Skipped: 0		Response Total:	690

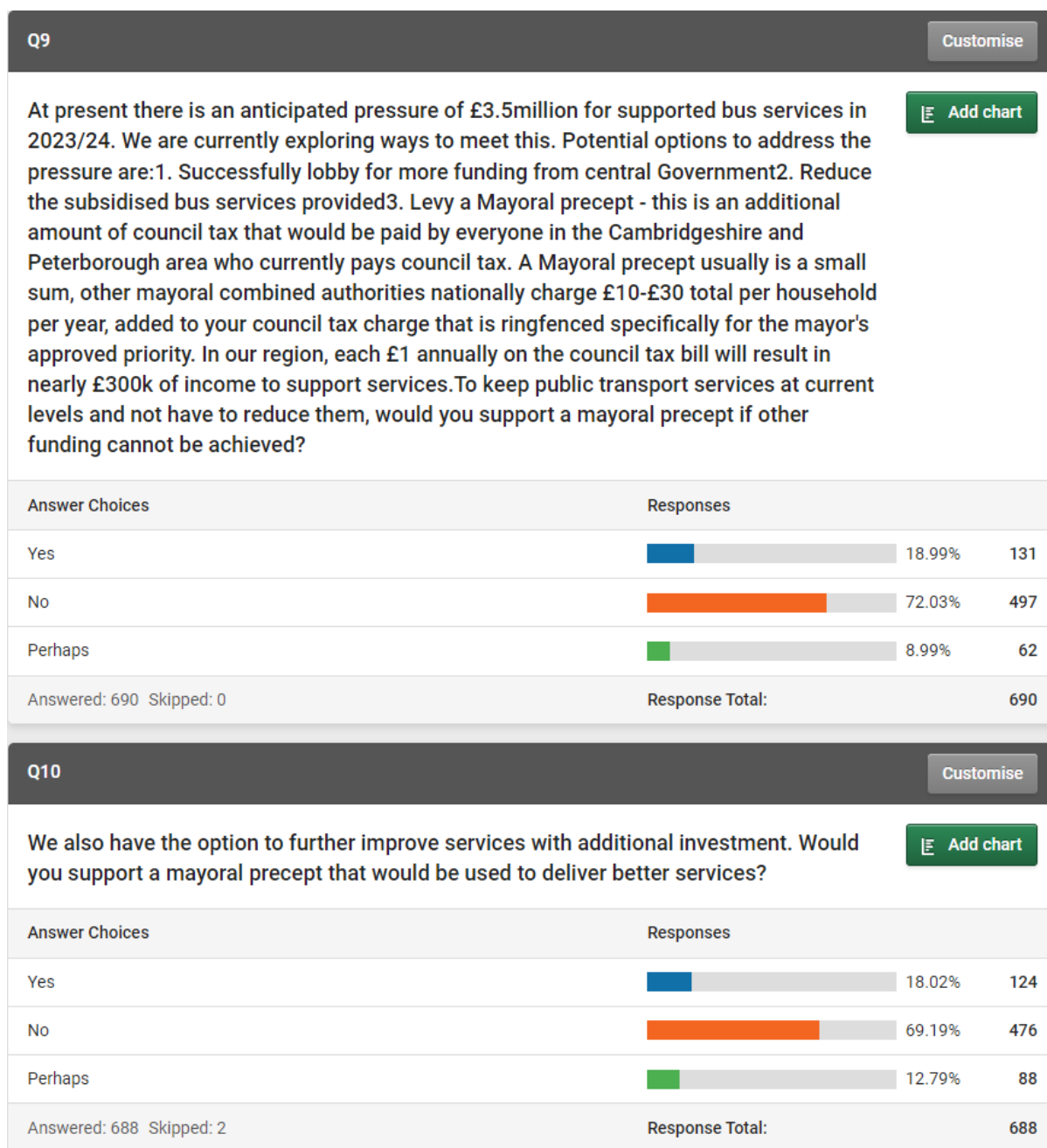
Q10

Customise

We also have the option to further improve services with additional investment. Would you support a mayoral precept that would be used to deliver better services?

 Add chart

Answer Choices	Responses		
Yes		18.02%	124
No		69.19%	476
Perhaps		12.79%	88
Answered: 688 Skipped: 2		Response Total:	688



Other consultation questions included “If you preferred reducing services, please tell us which services you would like to reduce.” There were 219 responses to this question. The majority of which reflected a range of views on bus services, and “Do you have any further comments on the Budget and MTFP?”, which prompted 228 responses highlighting views on the proposed precept, and where in the region investment is/should be made.

We have also received direct submissions including from Cambridgeshire and Peterborough Parks Partnership. Their consultation response highlighted how the partnership delivers on mayoral priorities and the benefits being delivered through the County’s parks and accessible open spaces and included an invitation for the Combined Authority to become a funding partner

Overview and Scrutiny Committee

The following recommendations to Board were agreed as the Overview and Scrutiny Committee’s response to the consultation following their meeting of 10th January 2023.

- 1. The CPCA Board should commit to maintaining at least the current level of spending on bus services for the next two years.**

The Board is best placed to decide how to source this funding which would be c£14m. This commitment would give some assurance to residents that they can continue to travel to work and school, and to access services, and that the CPCA had a credible, fit for purpose transport system on which residents could depend. This guarantee on funding should be given whilst longer term solutions for delivering services, such as franchising, are explored.

The Board should be mindful however that in the current climate bus operators could expect to be further supported by CPCA subsidy and therefore maintaining the current level of spending would not necessarily guarantee the same level of services.

- 2. The Board should keep a particularly close eye on the risk of slippage on capital projects and review the work of Internal Audit so that where issues are identified they can establish how best to address and overcome them.**
- 3. The Overview and Scrutiny Committee review in advance the process and methodology of any future proposed MTFP consultation.** Oversight by the Committee will ensure that the questions asked are focussed and prioritise the CPCA's vision and strategy and will also allow Members to make recommendations to encourage greater engagement by the public.
- 4. If the organisation aspires to delivering more ambitious projects that will be reliant on government funding, then the budget for securing this funding needs to be increased.**
- 5. The impact on social inequalities and the Environment should be evident in all CPCA funding decisions.**
- 6. If the Board decide that a Mayoral Precept is the best option to raise funds then it should identify and guarantee what the money raised will be spent on.** E.g. It has been identified that a precept of £12 per household at Band D council tax (with corresponding amounts for higher and lower bands) would raise the £3.5 million that it is estimated will be needed to maintain the current level of bus services.

Budget Monitor Report: January 2023

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 January 2023

Lead Member: Deputy Mayor Anna Smith

From: Jon Alsop
Chief Finance Officer

Key decision: Yes

Forward Plan reference: KD2022/083

Recommendations: a) Note the financial position of the Combined Authority for the year to date.

Voting arrangements: A simple majority of all Members

1. Purpose

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

2. Background

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

3. Revenue Budget Position

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

	Nov Budget £'000	Adjust' £'000	Revised Budget £'000	Actuals to 30 th Nov 22 £'000	Forecast Outturn £'000	FO Variance £'000	Change in FO £'000	App 4 ref:
2022-23 Revenue								
Grant Income	-49,973	-1,124	-51,097	-45,906	-46,909	4,188	3,064	2&3
Mayor's Office	488	-	488	146	241	-247	-119	
CA Gross Staffing Costs	7,528	-	7,528	5,136	7,747	219	-51	1
Other Employee Costs	330	-	330	117	300	-30	-20	
Externally Commissioned Support Services	581	-	581	301	603	23	28	
Corporate Overheads	830	-	830	505	828	-1	55	
Governance Costs	144	-	144	18	60	-84	-84	
Other Corporate Budgets	1,388	-	1,388	-837	-835	-2,223	-	
Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-1,728	-3,233	-	-	
Corporate Services Expenditure	7,568	-	7,568	3,512	5,470	-2,096	-72	
Business and Skills	51,410	61	51,470	15,635	41,741	-9,730	-3,346	2&3
Delivery and Strategy	15,721	169	15,890	8,448	15,006	-884	-	
Housing	563	-	563	236	513	-50	-	
Workstream Expenditure	67,694	230	67,924	24,319	57,260	-10,664	-3,346	
Total Expenditure	75,749	230	75,979	27,977	62,970	-13,007	-3,537	

- 3.2 The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against approved budgets of £13.0m.

The increase of £3.5m compared to the previous report is almost entirely due to forecast underspends on Skills bootcamps waves 2 and 3 of £1.4m and £2.0m respectively. These underspends are due to slow uptake from Training providers, employers and learner recruitment in the CPCA area. This is a problem which is reflected nationally, and the DfE have agreed an extension of Wave 3 to allow courses which start (but don't conclude) in March to be included. A line by line breakdown of revenue budgets is included as **Appendix 1** and detail on the Bootcamp variances are provided in **Appendix 4**.

- 3.3 There have been three changes to the expenditure budget, and two to the income budget, since the Board's previous report:
- i) An increase of £61k from the approval of the Growth Works additional equity fund at the November Board meeting,
 - ii) DfT notified transport authorities nationally that the Local Transport Fund grant would be continued for Jan-Mar 2023, providing additional funding to pay for local bus services. The Combined Authority's share of this is £169k and can be seen in increase on both the Local Transport Fund income and expenditure budgets.
 - iii) A presentational change to separate the Skills Bootcamps wave 3 delivery budget and the allowance for Combined Authority project management costs.
 - iv) As Adult Education Budget (AEB) Level 3 Courses funding is controlled separately from the core AEB grant it is now being reported separately.
- 3.4 The overall forecast position on staffing costs has improved by £51k since the previous report however this is the net effect of increased forecast spend on corporate services staffing (£119k) due to increased levels of interim support to develop and embed HR policies and processes, the continuation of the governance programme and an update to the assumption on recruitment to the permanent Monitoring Officer role. The increase in Corporate Staffing costs is offset by reduced cost across other areas.

4. Capital Programme

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

Capital Programme Summary	Revised 22-23 Budget	Actuals to 30 th Nov 22	22-23 Forecast Outturn	Change in FO	Forecast Variance	
	£'000	£'000	£'000	£'000	£'000	%
Corporate Services	242	31	242	-	-	0.00%
Business and Skills	77,343	16,956	69,467	-3,947	-8,018	-10.40%
Delivery and Strategy	62,959	31,047	58,784	1,023	-4,173	-6.60%
Housing	28,389	4,759	12,014	-4,225	-16,376	-57.70%
Totals	168,934	52,793	140,507	-7,149	-28,567	-16.9%

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

- 4.2 At the end of November, 67% of the way through the year, the total capital spend is only 18.5% of the forecast spend for the year, after removing the highway's maintenance grants and Net Zero retrofit programmes - summarised in the table below.
- There are many potential reasons for this behaviour which would not result in slippage, from projects being planned for initiation in the final third of the year to delays in claims from delivery partners being received. CPCA officers are working closely with delivery partners to ensure that accurate outturn forecasts are being provided and that any potential service delivery slippage risk is highlighted and addressed as a matter of urgency.

Directorate (Excluding Highways capital and Net Zero Hub)	Actuals to 30 th Nov 22	22-23 Forecast Outturn	Still to spend	
	£'000	£'000	£'000	%
Corporate Services	31	242	211	87%
Business and Skills	2,506	14,095	11,589	82%
Delivery and Strategy	3,352	31,089	27,737	89%
Housing	4,759	12,014	7,225	60%
Totals	10,648	57,440	46,762	81%

- 4.3 Business and Skills has seen several material changes to its forecast spend since the previous report:
- The Illumina programme is forecast to underspend by -£800k.
 - The market towns programme has reduced the programmes' forecast spend by -£955k.
 - Following the Nov CA Board ratification of the Business Board recommendation to reject the project's change request, Southern Fen Business Park is no longer forecasting any further spend (-£946k).
 - The externally managed Start Codon equity fund has reduced it's forecast drawdown of Combined Authority funds by £975k.
- 4.4 There has been one material increase in forecast spend within Delivery and Strategy: an increase of £684k on the A1260 Junction 3 project due to acceleration of the active travel elements of the project as approved by the CA Board in October 2022.
- Beyond this, the approved budget for the year has reduced by £4.8m following the Transforming Cities Fund programme changes approved at the Nov Combined Authority

Board so, combined with other non-material changes, the forecast variance (forecast spend less budget) has decreased substantially from £10m to £4.1m.

- 4.5 The forecast drawdown on the housing loan portfolio has reduced by £1.7m and the grant programme by £2.6m since the previous report.
The movement on the loan portfolio is predominantly due to sales on the Haddenham scheme occurring faster than was anticipated reducing the need for the developer to draw-down on its loan facility and a smaller element is due to construction delays resulting in the need for a separate site to draw down funds being delayed into 2023-24.
The reduction in forecast spend on the housing grant programme this year is due to an update on the optimism bias being applied to the completion dates provided by developers, as a significantly number of sites are forecasting completion in March 2023, applying an increased optimism bias adjustment to their programme results in the spend slipping into 2023-24 but doesn't alter the total value of the grant programme.
- 4.6 Detailed explanations provided by project leads for all material variances are included as **Appendix 4**.
- 4.7 There are a handful of projects which have STA budgets within the 22-23 capital programme which are not on the agenda for this meeting, totalling £4.4m; as the next Combined Authority Board meeting is only 2 days before the end of the financial year these budgets could only be approved in time to spend in exceptional circumstances so it is highly unlikely that these projects will spend as forecast. This is likely due to the business cases to unlock expenditure having been delayed and the project sponsors will be asked to provide a revised profile to be included in the March CA Board agenda.
- 4.8 Following a recommendation from the Transport and Infrastructure Committee the Combined Authority Board approved a substantial change to the capital programme funded by the Transforming Cities Fund to maximise the local benefit from the grant while aligning with required timescales.
The detail of this can be found in the paper to the Committee, which is linked under section 9 of this paper, and the capital programme in **appendix 3** reflects these changes. As appendix 3 does not highlight changes, the Board is reminded that the net effect of the decisions in that paper were to reduce the 22-23 capital programme by £31.5m (£6.2m approved and £25.2m STA) and increase future years capital programme by £23.4m (£3.5m approved and £20.8m STA).

Significant Implications

5. Financial Implications

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

6. Legal Implications

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

7. Other Significant Implications

- 7.1 There are no other significant implications

8. Appendices

- 8.1 Appendix 1 – Detailed breakdown of the revenue position for the year
- 8.2 Appendix 2 – 22/23 Capital Position
- 8.3 Appendix 3 – Capital Programme
- 8.4 Appendix 4 – Detailed Explanations of Material Variances

9. Background Papers

- 9.1 [Transforming Cities Fund paper at the 16th November Transport and Infrastructure Committee](#)

Appendix 1 - Detailed breakdown of the revenue position

	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Grant Income							
Adult Education Budget	-11,989		-11,989	-11,820	-11,989	-	-
AEB Level 3 Courses	-	-955	-955	-955	-955	-	-955
Bus Service Operator Grant	-411		-411	-	-411	-	-
Careers Enterprise Company Funding	-200		-200	-44	-200	-	-
Community Renewal Fund Grants	-1,273		-1,273	-1,848	-1,273	-	-
Local Transport Fund	-506	-169	-675	-	-675	-	-169
Digital Skills Bootcamp	-1,686		-1,686	-114	-330	1,356	1,356
Enterprise Zone receipts	-972		-972	-887	-972	-	-
ERDF - Growth Service Grant	-2,918		-2,918	-	-2,918	-	-
ESF Growth Service Grant	-920		-920	-	-920	-	-
Growth Hub Grants	-246		-246	-	-246	-	-
LEP Core Funding	-375		-375	-14,623	-375	-	-
Mayoral Capacity Fund	-1,000		-1,000	-1,000	-1,000	-	-
Multiply Grant	-1,209		-1,209	-	-1,209	-	-
Revenue Gainshare	-8,000		-8,000	-8,000	-8,000	-	-
Skills Advisory Panel Grant	-75		-75	-	-75	-	-
Skills Bootcamp Wave 3	-4,892		-4,892	-	-2,060	2,832	2,832
Transport Levy	-13,300		-13,300	-6,615	-13,300	-	-
Total Grant Income	-49,973	-1,124	-51,097	-45,906	-46,909	4,188	3,064
Mayor's Office							
Mayor's Allowance	96		96	62	96	-	-
Mayor's Conference Attendance	15		15	-	5	-10	-10
Mayor's Office Expenses	40		40	3	10	-30	-13
Mayor's Office Accommodation	77		77	32	50	-27	-27
Mayor's Office Staff	260		260	49	80	-180	-69
Total Mayor's Office	488	-	488	146	241	-247	-119

	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Corporate Services							
Combined Authority Gross Staffing Costs							
Business and Skills	2,358		2,358	1,391	2,299	-59	-82
Chief Executive	331		331	426	325	-6	-
Corporate Services	2,418		2,418	1,907	2,981	563	119
Transport	1,012		1,012	557	1,135	123	-17
Delivery and Strategy	908		908	610	687	-221	-71
Housing	501		501	245	320	-181	-
Total CA Gross Staffing Costs	7,528	-	7,528	5,136	7,747	219	-51
Other Employee Costs							
Travel	80		80	7	50	-30	-20
Training	88		88	31	88	-	-
Change Management Reserve	162		162	79	162	-	-
Total Other Employee Costs	330	-	330	117	300	-30	-20
Externally Commissioned Support Services							
External Legal Counsel	70		70	23	70	-	-
Finance Service	65		65	24	45	-20	-20
Democratic Services	95		95	73	98	3	3
Payroll	10		10	1	3	-7	-2
HR	12		12	10	14	2	2
Procurement	8		8	2	4	-4	-4
Finance System	100		100	-	50	-50	-50
ICT external support	221		221	168	320	99	99
Total Externally Commissioned Support Services	581	-	581	301	603	23	28

	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Corporate Overheads							
Accommodation Costs	300		300	109	250	-50	-
Software Licences, Mobile Phones cost	113		113	92	113	-	-
Communications	40		40	16	40	-	-
Website Development	10		10	7	10	-	-
Recruitment Costs	100		100	80	120	20	20
Insurance	39		39	39	39	-	-
Audit Costs	140		140	106	180	40	40
Office running costs	31		31	8	20	-11	-5
Corporate Subscriptions	56		56	48	56	-	-
Total Corporate Overheads	830	-	830	505	828	-1	55
Governance Costs							
Committee/Business Board Allowances	144		144	18	60	-84	-84
Total Governance Costs	114	-	114	18	60	-84	-84
Other Corporate Budgets							
Improvement Plan	750		750	-	750	-	-
Corporate Response Fund	145		145	4	145	-	-
Contribution to the A14 Upgrade	61		61	-90	61	-	-
Interest Receivable on Investments	-68		-68	-751	-1,791	-1,723	-
Interest charges on borrowing	500		500	-	-	-500	-
Total Other Corporate Budgets	1,338	-	1,388	-837	-835	-2,223	-
Recharges to Ringfence Funded Projects							
Internally Recharged Grant Funded Staff	-2,749		-2,749	-1,488	-2,749	-	-
Externally Recharged Staff	-484		-484	-240	-484	-	-
Total Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-1,728	-3,233	-	-
Total Corporate Services Expenditure	7,568		7,568	3,512	5,470	-2,096	-72

<u>Business and Skills</u>	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
AEB Devolution Programme	10,449		10,449	8,315	10,449	-	-
AEB Innovation Fund - Revenue	629		629	188	629	-	-
AEB Programme Costs	367		367	331	367	-	-
AEB Provider Capacity Building	156		156	68	156	-	-
AEB Strategic Partnership Development	196		196	33	196	-	-
Careers and Enterprise Company (CEC)	75		75	83	83	8	8
Changing Futures	60		60	-	60	-	-
CRF Start & Grow Project	930		930	930	930	-	-
CRF Turning Point Project	307		307	307	307	-	-
CRF Programme Management	53		53	11	53	-	-
CRF Turning Point CPCA Programme management	28		28	-	28	-	-
Digital Skills Bootcamp	1,785		1,785	242	330	-1,455	-1,455
Economic Rapid Response Fund	41		41	43	41	-	-
FE Cold Spots (rev)	225		225	-	225	-	-
Growth Co Services	5,073		5,073	209	5,073	-	-
Growth Works Equity Fund (rev)	-	61	61	-	61	-	61
GSE Energy Hub	2,186		2,186	465	2,186	-	-
GSE COP 26	23		23	18	23	-	-
GSE Green Homes Grant Sourcing Activity	699		699	351	699	-	-
GSE Green Homes Grant Ph 3 (LAD 3)	10,601		10,601	811	6,094	-4,508	-
GSE Home Improvement Grant	4,443		4,443	207	2,493	-1,950	-
GSE Net Zero Investment Design	1,500		1,500	600	1,500	-	-
GSE Public Sector Decarbonisation	1,150		1,150	64	1,150	-	-
GSE Rural Community Energy Fund (RCEF)	1,974		1,974	1,373	1,974	-	-
Health and Care Sector Work Academy	2,467		2,467	264	2,467	-	-
Insight and Evaluation Programme	75		75	78	75	-	-
Local Growth Fund Costs	426		426	219	426	-	-
Market Town and Cities Strategy	35		35	18	64	29	29
Marketing and Promotion of Services	90		90	-	90	-	-
Multiply	1,209		1,209	190	1,209	-	-
Peterborough University Quarter Masterplan	100		100	100	100	-	-

<u>Business and Skills</u>	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Shared Prosperity Fund Evidence Base & Pilot Fund	77		77	11	77	-	-
Skills Advisory Panel (SAP) (DfE)	40		40	41	40	-	-
Skills Bootcamp Wave 3	3,914	-274	3,640	65	1,925	-1,715	-1,989
Skills Bootcamp Wave 3 PM costs	-	274	274	-	135	-139	
Skills Rapid Response Fund	27		27	-	27	-	-
Total Business and Skills	51,410	61	51,470	15,635	41,741	-9,730	-3,346

<u>Delivery and Strategy</u>	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Bus Review Implementation	1,008		1,008	249	753	-255	-
Climate Change	100		100	100	50	-50	-
Doubling Nature Metrics	25		25	-	25	-	-
Hunts Biodiversity for all - Revenue	50		50	-		-50	-
Lifebelt City Portrait	40		40	80	40	-	-
Local Transport Fund	506	169	675	-	675	-	169
Local Transport Plan	-		-	115	100	100	-
Monitoring and Evaluation Framework	66		66	23	62	-4	-
Natural Cambridgeshire	70		70		70	-	-
P'boro Station Quarter SOBC	175		175	104	175	-	-
Peterborough Electric Bus Depot business case	40		40	-	40	-	-
Public Transport: Bus Service Operator Grant	411		411	-	411	-	-
Public Transport: Concessionary fares	8,845		8,845	4,486	7,645	-1,200	-
Public Transport: Contact Centre	286		286	205	286	-	-
Public Transport: ENCTS rationalisation			-			-	-
Public Transport: RTPI, Infrastructure & Information	221		221	296	221	-	-
Public Transport: S106 supported bus costs	-		-	61	-	-	-
Public Transport: Supported Bus Services	3,422		3,422	2,473	3,997	575	-169
Public Transport: Team and Overheads	456		456	256	456	-	-
Total Delivery and Strategy	15,721	169	15,890	8,448	15,006	-884	-

	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Housing							
CLT	120		120	26	70	-50	-
Affordable Housing Programme Revenue Costs	443		443	210	443	-	-
Total Housing	563	-	563	236	513	-50	-
Total Workstream Expenditure	67,694	230	67,924	24,319	57,260	-10,664	-3,346
Total Revenue Expenditure	75,749	230	75,979	27,977	62,970	-13,007	-3,537

Appendix 2 – 22/23 Capital Position

	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000		Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
Business and Skills							
Advanced Manufacturing	487	245	-242		487	-	140
Barn4 specialist growing facilities	400	193	-207		400	-	-
Cambridge Biomedical MO Building	185	185	-		185	-	-
Cambridge City Centre	481	-	-481		-	-481	-481
College of West Anglia - Net Zero	274	-	-274		274	-	-
Expansion of Growth Co Inward Investment	400	-	-400		400	-	-
Fenland Hi-tech Futures	400	-	-400		400	-	-
GSE Green Home Grant Capital Programme Ph 2	16,634	14,281	-2,353		15,301	-1,333	-
GSE Green Home Grant Capital - LAD 3	29,842	125	-29,717		29,247	-595	-
GSE Green Home Grant Capital - HUG 1	10,824	44	-10,780		10,824	-	-
Illumina Accelerator	1,700	400	-1,300		900	-800	-800
Market Towns: Chatteris	596	180	-416		226	-370	-148
Market Towns: Ely	735	28	-707		740	5	22
Market Towns: Huntingdon	391	86	-305		951	560	625
Market Towns: March	2,068	12	-2,056		900	-1,168	-1,168
Market Towns: Ramsey	1,000	190	-810		190	-810	-20
Market Towns: Soham	894	256	-638		492	-402	209
Market Towns: St Ives	433	86	-347		428	-5	102
Market Towns: St Neots	1,141	-	-1,141		-	-1,141	-930
Market Towns: Whittlesey	719	12	-707		233	-486	15
Market Towns: Wisbech	746	338	-408		659	-87	338
IEG Student Space	7	-	-7		7	-	-
Ramsey Food Hub	302	-	-302		302	-	-
South Fen Business Park	-	-	-		-	-	-946
St Neots Masterplan	215	-	-215		285	70	70
Start Codon (Equity)	1,475	295	-1,180		500	-975	-975
The Growth Service Company	5,135	-	-5,135		5,135	-	-
University of Peterborough Phase 3	-	-	-		-	-	-
Total Business and Skills	77,483	16,956	-60,527		69,467	-8,018	-3,947

	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000		Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
Delivery and Strategy							
A10 Dualling	3,993	14	-3,979		1,726	-2,267	-
A1260 Nene Parkway Junction 15	7,111	1,292	-5,819		7,111	-	-32
A1260 Nene Parkway Junction 32/3	711	844	133		711	-	684
A141 & St Ives	1,737	25	-1,712		1,737	-	-
A16 Norwood Dualling	1,427	135	-1,292		227	-1,200	-
A505 Corridor	135	21	-114		135	-	1
CAM Delivery to OBC	150	-	-150		150	-	-
Care Homes Retrofit Programme	500	-	-500		500	-	-
Digital Connectivity Infrastructure Programme	2,118	358	-1,760		1,440	-678	178
Ely Area Capacity Enhancements	124	-	-124		124	-	-
Fengate Access Study - Eastern Industries Access - Phase 1	155	149	-6		155	-	46
Fengate Access Study - Eastern Industries Access - Phase 2	1,322	269	-1,053		1,322	-	-14
Fletton Quays Footbridge	465	-	-465		465	-	-
Hunts Biodiversity for all - Capital	400	-	-400		450	50	-
Local Highways Maintenance & Pothole (PCC and CCC)	27,695	27,695	-		27,695	-	-
Logan's Meadow Nature Reserve	250	-	-250		250	-	-
King's Dyke	1,700	-	-1,700		1,700	1	-
March Junction Improvements	2,114	212	-1,902		2,114	1	-
Net Zero Villages Fund	750	-	-750		750	-	-
Peterborough Green Wheel	250	-	-250		250	-	-
School Streets	10	-	-10		10	-	10
Snailwell Loop	150	-	-150		150	-	150
Soham Station	175	22	-153		175	-	-
Thorpe Wood Cycle Way	625	-	-625		625	-	-
Transport Modelling	740	-	-740		740	-	-
Wisbech Access Strategy	1,573	-	-1,573		1,573	-	-
Wisbech Rail	321	11	-310		241	-80	-
ZEBRA capital funding	6,258	-	-6,258		6,258	-	-
Total Delivery and Strategy	62,959	31,047	-31,912		58,784	-4,173	1,023

	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000
<u>Housing</u>			
Affordable Housing Grant Programme	21,934	531	-21,403
Housing Investment Fund - contracted payments	6,456	4,228	-2,228
Total Housing	28,389	4,759	-23,630
	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000
<u>Corporate Services</u>			
ICT Capital Costs	42	-	-42
Office Fit-out costs	200	31	-169
Total Corporate Services	242	31	-211
Total Capital Programme	169,074	52,793	-116,281

Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
6,163	-15,771	-2,556
5,851	-605	-1,669
12,014	-16,376	-4,225
Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
42	-	-
200	-	-
242	-	-
140,507	-28,567	-7,149

Appendix 3: Capital Programme

	Approved to Spend Budgets				Total approved spend £'000	Subject to Approval budget				Total project budgets £'000
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000		2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	
<u>Business and Skills</u>										
Advanced Manufacturing	487	-	-	-	487	-	-	-	-	487
Barn4 specialist growing facilities	400	-	-	-	400	-	-	-	-	400
Cambridge Biomedical MO Building	185	-	-	-	185	-	-	-	-	185
Cambridge City Centre	481	-	-	-	481	-	-	-	-	481
College of West Anglia - Net Zero	274	850	876	-	2,000	-	-	-	-	2,000
Expansion of Growth Co Inward Investment	400	-	-	-	400	-	-	-	-	400
FE Cold Spots (capital)	-	-	-	-	-	-	2,400	2,175	-	4,575
Fenland Hi-tech Futures	400	-	-	-	400	-	-	-	-	400
Growth Works Additional Equity Fund	-	2,850	3,325	3,325	9,500	-	-	-	-	9,500
GSE Green Home Grant Capital Programme Ph 2	16,634	-	-	-	16,634	-	-	-	-	16,634
GSE Green Home Grant Capital - LAD 3	29,842	-	-	-	29,842	-	-	-	-	29,842
GSE Green Home Grant Capital - HUG 1	10,824	-	-	-	10,824	-	-	-	-	10,824
IEG Student Space	7	30	260	99	397	-	-	-	-	397
Illumina Accelerator	1,700	-	-	-	1,700	-	-	-	-	1,700
Market Towns: Chatteris	596	-	-	-	596	-	-	-	-	596
Market Towns: Ely	735	-	-	-	735	-	-	-	-	735
Market Towns: Huntingdon	391	-	-	-	391	422	-	-	-	813
Market Towns: Littleport	-	-	-	-	-	1,000	-	-	-	1,000
Market Towns: March	2,068	-	-	-	2,068	-	-	-	-	2,068
Market Towns: Ramsey	1,000	-	-	-	1,000	-	-	-	-	1,000
Market Towns: Soham	894	-	-	-	894	-	-	-	-	894
Market Towns: St Ives	433	-	-	-	433	380	-	-	-	813
Market Towns: St Neots	1,141	1,959	-	-	3,100	-	-	-	-	3,100
Market Towns: Whittlesey	719	-	-	-	719	-	195	-	-	914
Market Towns: Wisbech	746	-	-	-	746	-	-	-	-	746
Market Towns and Villages	-	-	-	-	-	1,250	1,250	-	-	2,500
Ramsey Food Hub	302	709	147	-	1,159	-	-	-	-	1,159
St Neots Masterplan	215	-	-	-	215	-	-	-	-	215
Start Codon (Equity)	1,475	-	-	-	1,475	-	-	-	-	1,475
The Growth Service Company	5,135	3,000	-	-	8,135	-	-	-	-	8,135
Total Business and Skills	77,483	9,399	4,608	3,424	94,914	3,052	3,845	2,175	-	103,986

	Approved to Spend Budgets				Total approved spend	Subject to Approval budget				Total project budgets
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2022-23 £'000	2023-24 £'000
<u>Delivery and Strategy</u>										
A10 Dualling	3,993	-	-	-	3,993	-	-	-	-	3,993
A1260 Nene Parkway Junction 15	7,111	900	-	-	8,011	-	-	-	-	8,011
A1260 Nene Parkway Junction 32/3	711	-	-	-	711	-	5,850	-	-	6,561
A141 & St Ives	1,737	5,715	-	-	7,452	-	-	-	-	7,452
A16 Norwood Dualling	1,427	-	-	-	1,427	-	-	-	-	1,427
A505 Corridor	135	-	-	-	135	-	-	-	-	135
A603 Barton Road	-	-	-	-	-	-	400	-	-	400
Active Travel Funding (Cap)	-	-	-	-	-	830	1,500	1,779	850	4,959
Addenbrookes Roundabout	-	-	-	-	-	-	200	-	-	200
Brook Crossing - Sutton	-	-	-	-	-	-	225	-	-	225
CAM Delivery to OBC	150	-	-	-	150	-	-	-	-	150
Care Homes Reterofit Programme	500	1,500	-	-	2,000	-	-	-	-	2,000
Carlyle Road Crossing	-	-	-	-	-	-	225	-	-	225
Centre for Green Technology	-	-	-	-	-	-	2,500	-	-	2,500
City of Cambridge Culture - Capital	-	-	-	-	-	183	153	30	-	366
County-wide Speed Reduction	-	-	-	-	-	-	800	-	-	800
Digital Connectivity Infrastructure Programme	2,118	1,500	1,500	-	5,118	-	-	-	-	5,118
East Park Street Crossings	-	-	-	-	-	-	260	-	-	260
Ely Area Capacity Enhancements	124	-	-	-	124	-	-	-	-	124
Fengate Study - Eastern Industries Access - Ph 1	155	819	-	-	974	-	10,817	-	-	11,791
Fengate Study - Eastern Industries Access - Ph 2	1,322	448	20	-	1,790	-	-	230	-	2,020
Fletton Quays Footbridge	465	942	2,021	-	3,428	-	-	-	-	3,428
Greater Cambridge Chalk Stream - Capital	-	-	-	-	-	100	100	100	-	300
Hunts Biodiversity for all - Capital	400	400	400	-	1,200	-	-	-	-	1,200
King's Dyke	1,700	-	-	-	1,700	-	-	-	-	1,700
Local Highways Maintenance & Pothole (PCC and CCC)	27,695	27,695	27,695	27,695	110,780	-	-	-	-	110,780
Logan's Meadow Nature Reserve	250	30	-	-	280	-	-	-	-	280
March Junction Improvements	2,114	1,604	-	-	3,718	-	3,969	-	-	7,687
Meanwhile, North East Cambridge - Capital	-	-	-	-	-	-	1,000	-	-	1,000
Nature and Environment Investment Fund	-	250	750	-	1,000	-	-	-	-	1,000

Net Zero Villages Fund	750	250	-	-	1,000	-	-	-	-	1,000
East Park Street Crossings	-	-	-	-	-	-	260	-	-	260
Northstowe P&R Link	-	-	-	-	-	-	500	-	-	500
Peterborough Green Wheel	250	500	-	-	750	-	-	-	-	750
Regeneration of Fenland Railway Stations	-	-	-	-	-	-	267	-	-	267
School Streets	10	-	-	-	10	-	-	-	-	10
Smaller Road Safety Measures	-	-	-	-	-	-	100	-	-	100
Snailwell Loop	150	-	-	-	150	-	350	-	-	500
Soham Station	175	-	-	-	175	-	-	-	-	175
Thorpe Wood Cycle Way	625	-	-	-	625	-	-	-	-	625
Transport Modelling	740	-	-	-	740	1,136	585	215	215	2,891
Waterbeach solar PV vehicles - capital	-	-	-	-	-	2,000	700	-	-	2,700
Wisbech Access Strategy	1,573	-	-	-	1,573	-	-	-	-	1,573
Wisbech Rail	321	-	-	-	321	80	5,000	-	-	5,400
ZEBRA capital funding	6,258	-	-	-	6,258	-	-	-	-	6,258
Total Delivery and Strategy	62,959	42,553	32,386	27,695	165,593	4,329	35,761	2,354	1,065	209,102

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

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

Total Capital Programme	169,074	51,993	37,036	31,161	289,263	7,381	39,606	4,529	1,065	341,845
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Appendix 4: Detailed Explanations of Material Variances

Operational Revenue Variances >£100k

1. Combined Authority Staffing		Change in forecast expenditure	-£51k
2022-23 Budget	£7,528k	Forecast expenditure	£7,747k
<p>The forecast outturn position on corporate staffing spend has increased by £119k since November's update due to the recruitment of an interim Assistant Director of HR to support the development of processes and policies until the end of the financial year, a revised assumption on the permanent recruitment to the MO post and an extension to the contract of the interim officer supporting the governance programme.</p> <p>This is mitigated by savings elsewhere on the structure and has resulted in an overall decrease of £51k in forecast staffing expenditure for the year.</p>			

Workstream Revenue Variances >£250k

2. Wave 2 Digital Skills Bootcamp		Change in forecast expenditure and associated income	-£1,455k
2021-22 Budget	£1,785k	Forecast expenditure	£330k
<p>The underspend on the Wave 2 Digital Skills Bootcamp programme is due to a number of factors, including:</p> <ul style="list-style-type: none"> - The Combined Authority submitted a consortium bid with 7 Training Providers, however DfE only approved 2 Training Providers in the bid - DfE issued Wave 2 contracts after the start of the 2021-22 Financial Year. The Combined Authority received the DfE contract for review and signature in June 2021, leaving a limited mobilisation and delivery time period for The Combined Authority and Training Providers, where originally the policy was for Training Providers to complete course delivery to learners by the 31st March 2022, with courses being up to 16 weeks in duration - Skills Bootcamps are a new style of delivery. Training Providers often need to develop and implement new courses alongside employer and local skills needs and ensure tutor capacity. It has been challenging engaging Providers to deliver in our region, particularly due to the shorter contract durations - A local college pulled out of the Wave 2 contract with a high number of learners. The Combined Authority sourced a new additional Training Provider to deliver the provision resulting in the Provider having very limited time for mobilisation and learner recruitment 			

All delivery on the project is now complete and final outcomes are being achieved and claimed. We will not have any further delivery or spend after this financial year. As the project was competitively tendered for and CPCA make payment claims to DfE in arrears as and when payments have been made, there is a corresponding decrease in forecast income rather than the Combined Authority holding funds which will need to be returned to DfE.

To ensure this does not happen again in the future The Combined Authority has provided feedback to the DfE regarding contract durations and the need for multi-year funding. Unlike Wave 2 Digital Skills Bootcamps, Wave 3 Skills Bootcamps is grant funded, which enables The Combined Authority to procure and contract delivery. The Combined Authority has increased its marketing activity to raise awareness of the Skills Bootcamp funding opportunities to individuals and residents in the region.

3. Skill Bootcamp Wave 3		Change in forecast expenditure	-£1,989k
2021-22 Budget	£3,914k	Forecast expenditure	£1,925k
<p>The underspend on the Skill Bootcamp Wave 3 programme is due to slow uptake from Training providers, employers and learner recruitment in our area.</p> <p>A request has been accepted by DfE to reduce the number of students from 1,780 to 1,220. This has reduced the overall value of the project to £3,050k</p> <p>A slippage of £722k is also expected as DfE is extending the course delivery completion date allowing students to start by the end of March 23, whilst originally 31st March 23 was the deadline for the completion of the course delivery.</p> <p>Measures such as increased marketing across social media, enhancing awareness with key stakeholders such as JCP with the intention of increased applicant referrals, and engagement with additional Training Providers has been taken in the last couple of months to increase awareness of the funding opportunity and to extend our provision.</p>			

Capital Variances >£500k

4. Illumina Accelerator		Change in forecast expenditure	-£800k
2022-23 Budget	£1,700k	Forecast expenditure	£900k
<p>The Combined Authority awarded funding to the Illumina Accelerator programme which is offered to companies which are accepted onto Illumina's accelerator programme.</p> <p>There are two intakes of participants every year and each intake can have up to 5 companies, each of whom are offered a £100k agreement, meaning the</p>			

maximum possible spend in a year is £1m - Illumina are forecasting to have 9/10 of the potential companies take up the offer of the funding in 22-23.

The underspend from 2021-22 financial year, when there was significantly lower uptake due to global COVID impacts, was rolled into the 2022-23 budget and should have been moved into 2023-24. The Combined Authority board will be asked to approve this be slipped into 23-24 as the original funding award to Illumina allows for delivery over 5 years.

5. Market town (March, Ramsey and St Neots)		Change in forecast expenditure	-£2,118
2021-22 Budget	£4,209k	Forecast expenditure	£1,090

The table below show the underspend on the market towns indicated above. All the variances will be carried forward to next financial year.

Programme	Budget	FO Spend	Slippage
March	£2,608k	£900k	£1,168k
Ramsey	£1,000k	£190k	£810k
St Neots	£1,141k	0	£1,141k

Reason:

Ramsey - HDC subsequently made an application to CPCA Local Growth Fund for a Great Whyte Enhancements project which includes the delivery of a Market Produce Hub alongside the Ramsey market towns funded projects. As such the actual roll out of this project is likely to be over the 2023/24 period. Recognising potential delays etc (procuring construction contractors, supplies and materials) and a final date for completion is set to June 2024.

St Neots (Future High Streets) - this was initially delayed due to Covid 19 restrictions. Preliminary Design commenced in Autumn 2021 with a team of Cambridgeshire County Council (CCC) undertaking the PM role and WSP as Design Consultants. Preliminary design now complete and about to commence Detailed Design in September 2022 and Procurement thereafter. While target date for completion remains March 2024 there may be need to adjust this target.

March (Future High Streets) – some delays experienced due to Covid 19 restrictions. As with St Neots, Cambridgeshire County Council (CCC) undertaking the PM role and WSP as Design Consultants. Draw down of CPCA funding in full by September 2023.

6. Start Codon (Equity)		Change in forecast expenditure	-£975k
2022-23 Approved Budget	£1,475k	Forecast expenditure	£500k
<p>This project is the Combined Authority's contribution to a larger fund managed by Start Codon which invests in high growth potential SMEs in the life science and healthcare sectors. As a managed fund investments are made as and when appropriate companies are identified by the fund managers.</p> <p>The fund has a 5-year investment period ending in January 2025, as such payment from the Combined Authority to the fund (drawdowns) will be spread over this time period.</p> <p>The profile which was included for 2021-22 and 22-23 was overly front-loaded and a revised drawdown profile is being established with the fund manager and will result in an updated budget profile being brought to Board for approval.</p> <p>The fund managers are confident that the fund will develop a portfolio to the full value of the fund within the investment period, and the Combined Authority is contractually committed to its contribution so the budget will be requested to be carried forward pending the updated profile.</p>			

7. A1260 Junction 3		Change in forecast expenditure	£684k
2022-23 Budget	£711k	Forecast expenditure	£711k
<p>The increase in expenditure on A1260 Nene Parkway Junction 3 is due to bringing forward active travel elements of this project. Bringing forward some of the active travel schemes for delivery into the third and fourth quarters of the 2022/23 financial year will reduce the pressure on the wider construction programme, and specifically reduce the risk to funding availability caused by any programme delays</p> <p>The schemes identified for accelerated delivery are:</p> <ul style="list-style-type: none"> • Malborne Way Footpath (completes the missing link along an existing route); • Shrewsbury Avenue Cycleway (new cycle way and resurfacing of existing route). <p>Funding for this project was agreed at the CPCA board meeting 19th October 2022</p>			

8. Affordable Housing Grant Programme		Change in forecast expenditure	-£2,556k
2022-23 Budget	£21,934k	Forecast expenditure	£6,163k
<p>The programme includes a large number of schemes forecast to complete in the last quarter, many of them in March. Due to the delays being experienced across the construction industry, in reality it's likely that some of these schemes will not complete and therefore meet conditions for final grant payments until the following financial year. To reflect this an optimism basis adjustment has been made to the forecast representing 25% of further schemes not completing by the end of March.</p>			

9. Housing Investment Fund		Change in forecast expenditure	-£1,669k
2022-23 Budget	£6,456k	Forecast expenditure	£5,851k
<p>Following good sales success the scheme at Haddenham will be repaid earlier than previously forecast resulting in reduced drawdowns (£1.1m). The scheme at Histon Road is experiencing delays common across the construction industry due to the knock-on impacts from Brexit, covid and the Ukraine war on skills and supply chain which will result in £0.6m of drawdown slipping to next financial year.</p> <p>All loans are being closely monitored and are anticipated to be repaid within terms of the current loan agreements.</p>			



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.3

Cambridgeshire and Peterborough Combined Authority Corporate Strategy and Business Plan 2023-2025

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 th January 2023
Public report:	Yes
Lead Member:	Councillor Anna Smith, Statutory Deputy Mayor
From:	Gordon Mitchell, Chief Executive and Fliss Miller, Interim Associate Director of Skills
Key decision:	No
Recommendations:	The Combined Authority Board is recommended to: Approve the Cambridgeshire and Peterborough Combined Authority Corporate Strategy and Business Plan 2023-2025
Voting arrangements:	A simple majority of all Members present and voting. To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

1. Purpose

- 1.1 The purpose of this report is to seek approval for the revised Cambridgeshire and Peterborough Combined Authority Corporate Strategy 2023-2025.

2. Background

- 2.1 The revised corporate strategy has been developed in conjunction with the Combined Authority's Improvement Plan, the draft Medium-Term Financial Plan 2023-2027, and the detailed sub strategies.
- 2.2 This strategy builds upon the sustainable growth ambition for Cambridgeshire and Peterborough along with the powers and funding afforded by devolution.
- 2.3 The Mayor's Mayoral Ambition Statement for the remainder of his term, until the next Mayoral election has been developed concurrently but independently. The Mayoral Ambition has been reviewed to ensure coherence with this strategy, however, the two documents and visions are separate. The Mayoral Ambition is appended to this paper (Appendix 2).

3. The Combined Authority Corporate Strategy

- 3.1 The strategy proposes an updated vision for Cambridgeshire and Peterborough: A prosperous and sustainable Cambridgeshire and Peterborough. Driven by our values and using our collective voice and strengths, we seek inclusive good growth for an equitable, resilient, healthier and connected region.
- 3.2 The Cambridgeshire and Peterborough Combined Authority Corporate Strategy focuses on four strategic priority areas:
- Achieving Good Growth
 - Increasing Connectivity
 - Ambitious Skills and Employment Opportunities
 - Enabling Resilient Communities
- 3.3 The strategic priorities clarify the areas of focus to 2025. Fundamentally these priorities are supported by a robust strategic framework that ensures all delivery is assessed by its impact and contribution to climate and nature, health, infrastructure, innovation and reducing inequalities.
- 3.4 Strong partnership working and delivery is a key component to enabling this strategy to be successfully delivered. The Combined Authority seeks to celebrate and confirm its own role, principles and values as well as the role and contribution of our key partners. Collectively we will achieve the strategic priority areas and outcomes through coordination, delivery and influence of the key deliverables.
- 3.5 Each Strategic Priority Area has outcomes, outputs and specific key deliverables identified. The deliverables are included in the draft Medium-Term Financial Plan with financial

estimates and profiles of spend.

- 3.6 To ensure this strategy delivers on its ambition, clear links and coherence to sub strategies have been mapped. Implementation and delivery plans are developed within each sub strategy – for example, Employment and Skills Strategy, Economic Growth Strategy and the emerging Local Transport Connectivity Plan.
- 3.7 Targeted outputs and outcomes will form part of our performance management framework with effective monitoring and trajectory forecasts.
- 3.8 Key stakeholders have been engaged including Constituent Councils' Leaders and Chief Executives, and organisation officers. The Combined Authority wishes to acknowledge the useful feedback to date and the approach has reflected the continued desire by all parties to work together.
- 3.9 This strategy enables a focus to 2025, building on the 2022 Improvement Plan and allowing for shorter term delivery to address key priority areas, such as bus travel.
- 3.10 During 2023/24 the Combined Authority will work with partners across the area to undertake a 'State of the Region' review; this review will enable the next evidence-based strategy to be formed that embraces innovation, seeks opportunities and identifies future desired devolution. This will build upon the outcomes achieved as a result of this strategy and further achieve a prosperous and sustainable Cambridgeshire and Peterborough.
- 3.11 The Cambridgeshire and Peterborough Combined Authority Corporate Strategy and Business Plan 2023-2025 is at Appendix 1. Once approved the Corporate Strategy will enter into a design process to ensure the document is accessible to all.
- 3.12 Following agreement of the Corporate Strategy detailed business plans will be developed for each of the four strategic priority areas, including key deliverables for the next 12 months.

Significant Implications

4. Financial Implications

- 4.1 Whilst there are no direct financial implications contained within this paper, there will be financial implications arising from the strategy's key deliverables. The key deliverables have been included within the draft Medium-Term Financial Plan 2023-2027.

5. Legal Implications

- 5.1 There are no legal implications at this stage

6. Public Health Implications

- 6.1 The strategy seeks to improve health across the region with some outcomes detailed in each priority area. Health is also a key assessment criteria as part of the supporting strategic framework. As a result of the delivery of this strategy, health outcomes are expected to improve.

7. Environmental and Climate Change Implications

- 7.1 The strategy seeks to address climate impact and enable further resilience across the region. Each priority area is expected to be sustainable and seek positive environmental contributions; specifically the Enabling Resilient Communities priority area will drive key deliverables to address climate related impact. Climate and Nature is also a key assessment criteria as part of the supporting strategic framework. As a result of the delivery of this strategy, impact on climate outcomes are expected to improve.

8. Other Significant Implications

- 8.1 There are no other significant implications.

9. Appendices

- 9.1 Appendix 1: Cambridgeshire and Peterborough Combined Authority Corporate Strategy and Business Plan
- 9.2 Appendix 2: Mayoral Ambition and Pledges

10. Background papers

- 10.1 None.

Cambridgeshire and Peterborough Combined Authority

Strategy and Business Plan 2023 / 24

The Combined Authority Strategy and Business Plan

Introduction – A Transitional Strategy

Cambridgeshire & Peterborough Combined Authority was established as a Mayoral Combined Authority in 2017 to make life better, healthier, and fairer for all. As the authority revises its focus to 2025, much of the original purpose and ambition remains, with increased attention to address post-pandemic areas of deficit and more recent impact of climate, energy, and cost of living crises.

This strategy signals a transition from the original devolution and broad ambition of the Combined Authority to a more focused strategic ambition and defined priority areas. This transition strategy will further enable a prosperous Cambridgeshire and Peterborough region; one that is more equitable, more environmentally sustainable, and securing good growth for its residents and businesses.

The Combined Authority comprises the seven local authorities (referred to as the Constituent Councils) and the Business Board (Local Enterprise Partnership) for the Cambridgeshire and Peterborough region. Working with Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council, South Cambridgeshire District Council and business leaders allows the Combined Authority to convene significant knowledge, expertise and local intelligence. The Combined Authority and its constituent councils are committed to working together to enable sustainable growth. Partnership working and delivery together with constituent councils, NHS, Integrated Care System (ICS), businesses, community groups and organisations across the region is recognised by the Combined Authority as being pivotal in delivering the ambitions for the area.

Cambridgeshire and Peterborough is already a high growth area that is a world leader in science and technology, with unparalleled levels of cutting edge research, growth businesses and highly skilled jobs. The area is a significant net contributor to the UK economy. With such rapid growth in specific areas and wider post-pandemic and cost of living difficulties being experienced by many communities, sufficient infrastructure and equitable growth across the entire region are substantial challenges for the near future. It is considered that investment in the region is much more likely to generate a positive return to the UK economy than the same investment elsewhere in the UK and therefore this position needs to continue to be nurtured, amplified, and prioritised with future devolution attracting further investment in infrastructure and skills.

The 2017 Devolution for the region focused on delivering substantial economic growth, enhancing the region's international reputation, accelerating housing growth to meet demand, using strong public service partnerships, achieving a skills base to match business need, and providing connectivity and transport systems fit for modern day working and living.

With devolved power for transport and passenger transport, housing and infrastructure funds, investment funding allocations, post-19 skills provision, and more effective joint working with the Department for International Trade; the Mayor and the Combined Authority seek to fully utilise these powers in the delivery of this updated strategy. Further, the Combined Authority will work with partners to consider parameters for future devolution deals for the region.

Next steps – Looking Beyond 2025

This strategy enables a focus to 2025, building on the Combined Authority's 2022 Improvement Plan and allowing for shorter term delivery to address key priority areas, such as bus travel. During 2023/24 the Combined Authority will work with partners across the area to undertake a **'State of the Region'** review. This review will enable the next evidence-based strategy to be formed that embraces innovation, seeks opportunities and identifies future desired devolution.

This will build upon the outcomes achieved because of this strategy and agree the policies and actions needed to achieve a prosperous and sustainable Cambridgeshire and Peterborough on into the future.

Mayoral Ambition: To have a healthier and more prosperous Combined Authority region

Mayor Dr Nik Johnson aims to leave a legacy that continues for years to come that enables improved life expectancy and for those additional years lived to be in good health and wealth.

The enduring impact of the mayor's term, will be to reduce inequality, have sustainable growth, and more active communities, within a region that celebrates and further enhances its uniqueness on both the local and global stage.

Mayoral Pledges:

- 1. A locally determined, innovative, and sustainable public transport system that is fit for the future*
- 2. Promote, protect and grow our unique Fens*
- 3. Creating a strong sense of place and cultural identity for our region*
- 4. Working with ICS¹ to support the delivery of better health outcomes and address health inequalities in our region*

Delivering on this ambition through strong partnerships and complementing the focus and delivery of the Combined Authority, the Mayor aims to build upon the delegated powers and Combined Authority achievements to continue to enable the region to grow and thrive. With more connectivity, spreading of prosperity, developing skills, and improving the region's environment and resilience, the Mayor's ambition and areas of priority can be achieved.

¹ Integrated care systems (ICSs) are partnerships of organisations that come together to plan and deliver joined up health and care services, and to improve the lives of people who live and work in their area.

Strategic Vision Statement

“A prosperous and sustainable Cambridgeshire and Peterborough. Driven by our values and using our collective voice and strengths, we seek inclusive good growth for an equitable, resilient, healthier, and connected region.”

Strategic Priorities

Our strategic priorities clarify the areas of focus to 2025. Fundamentally these priorities are supported by a strong strategic framework that ensures all delivery is assessed by its impact and contribution to climate and nature, health, infrastructure, innovation and reducing inequalities.

<i>Priority Area</i>	<i>Achieving Good Growth²</i>	<i>Increased Connectivity</i>	<i>Ambitious Skills and Employment Opportunities</i>	<i>Enabling Resilient Communities</i>
Priority Purpose	<p>Reduce inequality between and within Greater Cambridge, The Fens, and Greater Peterborough, whilst increasing productivity, delivering our goal of almost doubling GVA by 2040, delivering the output to create the jobs and higher wages needed to do so. Effectively harnessing the different strengths of our three sub-economies to reinforce one another.</p> <p>Creating the opportunity to:</p> <ul style="list-style-type: none"> - Achieve greater financial certainty for infrastructure for the region by simplifying the funding landscape and move towards consolidation of funding streams. 	<p>Digital and physical connection to communities, professional networks, health services, leisure, nature and to places of employment and education. Reducing the need for travel with more services located within communities.</p> <p>Delivering:</p> <ul style="list-style-type: none"> - Reduced rural isolation - Improved Highway connectivity - Sustainable and reliable public transport 	<p>Inclusive and world-class local skills system that raises the ambitions, matches the needs of our employers, learners, and communities to enable a successful, globally competitive economy offering high-skilled, well-paid and good quality jobs to deliver increased productivity and prosperity for our communities.</p> <p>Increasing:</p> <ul style="list-style-type: none"> - Social Mobility - Accessible and attractive labour markets 	<p>Providing the infrastructure and support to enable communities across the region to be adaptable to environmental and climate, financial and social crises and be well placed to extend cultural opportunities for Cambridgeshire and Peterborough to be a great place to live and work.</p> <p>The region can:</p> <ul style="list-style-type: none"> - Mitigate the climate crisis impact, build flooding, and fire resilience - Increase biodiversity

² Good Growth is to enable fairer, sustainable, and inclusive growth across the region and not just in concentrated areas. Growth that addresses inequality, does not exhaust our natural, infrastructure or financial resources, and drives increased productivity.

<i>Priority Area</i>	<i>Achieving Good Growth²</i>	<i>Increased Connectivity</i>	<i>Ambitious Skills and Employment Opportunities</i>	<i>Enabling Resilient Communities</i>
	<ul style="list-style-type: none"> - Allow more flexibility to decide and develop long-term strategies that integrate our local transport and highway connectivity priorities - Deliver sustainable growth that almost doubles the economy to over £40bn - Consider effective mechanisms for raising local contributions towards growth - Build on our innovative regional reputation for new thinking, new technology and new ideas in Cambridgeshire and Peterborough to ensure this area can continue to be one of the most dynamic and dense knowledge economies in Europe 		<ul style="list-style-type: none"> - Lifelong learning and career prospects - Improved health and wellbeing - Improved community connection 	<ul style="list-style-type: none"> - Enable sustainable farming whilst protecting some of the most productive farmland in the country - Have the infrastructure – power and water especially - needed to achieve sustainable growth - Reduced accidents on region's roads - Reduce impact of costs of living and fuel poverty crises
Priority Key Deliverables	<ul style="list-style-type: none"> - More Funding - Place growth - Sector growth - Policy and Strategy influence 	<ul style="list-style-type: none"> - Transport Accessibility - Active Travel - Digital Connectivity Infrastructure 	<ul style="list-style-type: none"> - Enhancing Careers Education, Information, Advice and Guidance - Delivery of Lifelong learning and workforce skills - Employer engagement and access to talent - Lobbying for a second Skills Devo Deal that strengthens our current programme and delivers greater impact - Building Skills Infrastructure 	<ul style="list-style-type: none"> - Environmental and Climate actions - Infrastructure – sufficiency, preservation and safety - Social and culture - Financial – supporting response to cost of living and fuel poverty

<i>Priority Area</i>	<i>Achieving Good Growth²</i>	<i>Increased Connectivity</i>	<i>Ambitious Skills and Employment Opportunities</i>	<i>Enabling Resilient Communities</i>
Outcomes – our measures for success	(1) Increase in Gross Value Added / value of local economy (2) Improvements in Productivity above UK average (3) All districts across region improve on prosperity index (4) Levelling Up, lifting as many areas as possible out of the top 10% most deprived areas nationally (5) Consistent High levels of Sustainable Growth in Knowledge Intensive Industries (above UK average growth rates) (6) Housebuilding above national rates (7) Retain global position and reputation (8) Maintain net contribution to UK treasury	(1) Increasing share of public transport usage and sustainable travel as a proportion of all travel (2) Reduction in numbers of people killed or seriously injured on region's roads (3) Reduced congestion on major roads (4) Measurable improvements in connectivity for 'left behind' areas.	(1) Closing the skills gap with the national average for: a) Peterborough b) Fenland c) pockets within wider Cambridgeshire (2) An increase in % of the population qualified to Levels 2, 3 and 4 and higher qualifications (3) Reduced difference in household income between most deprived and least deprived areas (4) Increase in the percentage of population with well-paid employment (5) Improved health and wellbeing as measured by ONS Health Index	(1) Reduction in CO2 emissions for Cambridgeshire and Peterborough (2) Increase in biodiversity with improvements in both common and red-list species (3) Healthy Life Expectancy at Birth rates to increase (4) Reduction in the gap between the healthiest and least healthy places (5) Reduction in percentage of households living in fuel poverty

Priority Area: Achieving Good Growth

Priority Purpose:

Reduce inequality between and within Greater Cambridge, The Fens and Greater Peterborough, whilst increasing productivity, delivering our goal of almost doubling GVA by 2040, delivering the output to create the jobs and higher wages needed to do so. Effectively harnessing the different strengths of our three sub-economies to reinforce one another.

Creating the opportunity to:

- Achieve greater financial certainty for infrastructure for the region by simplifying the funding landscape and move towards consolidation of funding streams.
- Allow more flexibility to decide and develop long-term strategies that integrate our local transport and highway connectivity priorities
- Deliver sustainable growth that almost doubles the economy to over £40bn
- Consider effective mechanisms for raising local contributions towards growth
- Build on our innovative regional reputation for new thinking, new technology and new ideas in Cambridgeshire and Peterborough in order to ensure this area can continue to be one of the most dynamic and dense knowledge economies in Europe

What this means:

- Attract and be a conduit for regional funding. Lobby for fairer funding for the region
- Manage equality / consequences of growth
- Create conditions and convene with partners to continue to support start-ups and sustainable growth in sectors
- Ensure that all parts of Cambridgeshire and Peterborough have the ecosystem needed to support high growth businesses across all sectors. Supporting increased trade and exports, inward investment, with wraparound enterprise support including for innovation

Priority Key Deliverables:

Funding

- More fairer funding and more UK Shared Prosperity Fund allocations
- Less restriction on capital and revenue allocations
- Successful lobbying for single pot funding – working with trailblazing MCAs for single settlements

Place growth

- Market Towns Masterplan

- Enterprise zones and future knowledge intensive growth clusters
- Final delivery of the Combined Authority Affordable and Community-led Housing programme delivery
- Working with providers to reduce the need to travel through more place-based community or digital services
- Support to Rural Communities and Businesses through the Rural England Prosperity Funding
- Support to driving and maintaining Innovation across the high knowledge business sectors/clusters
- Working with Fens partners to support Future Fens and potential designation

Sector growth

- Agri-tech
- Life Sciences
- Advanced Manufacturing and Materials
- Digital and Technology

Policy and Strategy influence

- Engage DLUHC for new knowledge intensive cluster(s)
- Lobby for devolution of single pot for Adult Education Budget and all age career service
- Campaign for rail infrastructure
- Influence central government planning policy and guidance to enable key infrastructure to support sustainable growth
- Undertake 'State of the region' review in 2023
- Engagement with partners to consider the development of the Non-Statutory Spatial Strategy

Outputs³:

- Additional external funding invested in the area.
- Homes built (on sites unlocked by Combined Authority funded investment)
- Affordable homes built (on sites unlocked by Combined Authority funded investment)
- Jobs created (via growth strategy investments)
- Jobs supported (via growth strategy investments).

³ Our output measures show what the Combined Authority is achieving in the short term, based on the actions that we have taken. Over the longer term these outputs lead towards the outcomes; the improvements in wealth, health and wellbeing for everyone in the area.

A total of 22,843 houses have been built in Cambridgeshire and Peterborough since 2016/17 (based on local monitoring) with a good rate of delivery continuing through the COVID period. For affordable housing 5,749 units have been built, a ratio of 25%. Set alongside this is total job growth within the CPCA area over the same period of 25,000, with 9,000 jobs in the 'professional, scientific, and technical sector'. Looking forward the challenge is to support the needs of the local economy by delivering the right infrastructure, investing in productivity gains (doing more with the same resources) and encouraging a more equitable distribution of growth to the areas that need it most.

Outcomes⁴:

(1) Increase in Gross Value Added / value of local economy - Achieving long-term growth in Gross Value Added (GVA), is enshrined in the devolution deal signed with government. It is the headline outcome measure of economic growth and prosperity. The latest published GVA figures include the early part of the COVID period and shows 2020 GVA for the Combined Authority area down -0.52% (Cambridgeshire down -0.9%, Peterborough up +0.7%). This is compared to a UK drop of -3.4% so the Combined Authority was performing relatively strongly against an uncertain economic outlook. The long-term target remains to almost double GVA between the 2015 figure to 2045 (a thirty-year deal). A method statement will be kept up to date that helps the Combined Authority to maintain the golden thread from investment decisions through to impact on GVA and generation of economic value will be maintained at the core of the Combined Authority's approach to evaluating existing and future projects.

(2) Improvements in Productivity above UK average - Alongside GVA we will look at total Jobs (which have risen from 516,000 in 2019 to 531,000 in 2020) as well as employee jobs (as this provides a better sector breakdown). As emphasised in the CPIER, there will also be a focus on productivity, as measured by GVA per job; in each of the last five years the Combined Authority area runs ahead of the Eastern Region on this measure. However, a distinct gap has been opened between Fenland and the other districts over this time. This is partly due to what economic activity takes place in different areas, with jobs in basic food processing occupations generating between £20,000 and £30,000 additional GVA compared to jobs in more advanced manufacturing generating over £50,000 per job.

Other Economic Indicators include those that provide the detail on local company growth compared to other companies nationally is provided through a partnership with the Centre for Business Research in Cambridge. Through-out our work on outcomes there is an emphasis on collecting and analysing data in collaboration with our partners.

⁴ *The outcomes describe what it is that the CPCA really wants to provide for the people living in the area; the improvements in wealth, health and wellbeing. The delivery of this strategy is designed to support the achievement of targeted outcomes for each priority area. Monitoring these is important as this is the point at which there will be material change and improvements in the life of people living and working in Cambridgeshire and Peterborough. They will be able to see and benefit from the Combined Authorities work. Individual project and programme delivery and performance will continually be monitored and reviewed using appropriate evaluation methods, outcome tools and reference and inclusion of national statistics. High level logic models will set out the linkage and focus of delivery and impact, detailing 'Inputs' > 'Activities' > 'Outputs' > 'Outcomes'.*

(3) All districts across region improve on prosperity index⁵ - The Prosperity Index was developed to provide definition for the Levelling Up agenda, to give greater understanding of the nature of the challenges and strengths of different regions across the UK, and as a yardstick for measuring success. It has been created partly so government organisations have accountability against commitments to improve local areas. The latest version of the index shows a contrast between Fenland at position 271 in the index compared to 39th for South Cambridgeshire. It also shows a steady improvement for Peterborough from 317th in 2012 to 218th in 2022.

(4) Levelling Up, lifting as many areas as possible out of the top 10% most deprived areas nationally - The Index of Multiple deprivation shows that only Peterborough and Fenland have LSOA's in the top 10% most deprived nationally, with Peterborough having almost double that of Fenland with Peterborough having 14 areas and Fenland having 6 areas. **Fuel Poverty** showed a sharp increase between 2018 and 2019 jumping from **approximately 10% to 13% of the population** (this change was in line with the Eastern Region as a whole. 2020 levels are shown in the data as being slightly lower. **Fenland had the highest rate of fuel poverty at 15.3%.** The Deprivation Gap is the difference in household income between most deprived and least deprived areas using ONS small area income estimates. **The biggest difference was for Peterborough with a 33% difference in income** followed by Fenland (24%) and Cambridge (23%). Other indexes such as the prosperity index and the work by OSCI to monitor England's 'left behind areas' will also be kept under review.

(5) Consistent High levels of Sustainable Growth in Knowledge Intensive Industries (above UK average growth rates) - Employment in knowledge intensive industries continues to increase in Cambridge and South Cambridgeshire however other districts are showing little change. The workforce with a level four qualification remains strong for Cambridge and South Cambridgeshire (around 60%), however the gap between these districts and Fenland (less than 20%) has widened. On a positive note, the percentage for Peterborough has increased between 2018 to 2021 to now be in line with East Cambridgeshire and Huntingdonshire. As with wider measurement of the economy, the data provided by the Centre for Business Research will be invaluable to tracking the success of Cambridgeshire and Peterborough Knowledge Intensive Industries.

(6) Housebuilding above national rates

Measuring relative performance for housebuilding is complicated by accounting for local conditions site as economic growth and availability of sites as well as the type of housing in demand. Nationally the starts per quarter statistics for England for April – June 2022 were the highest they have been for over a decade (54,540). Similarly local monitoring shows that housebuilding is happening at a relatively high rate at present with an average of 3653 units being built in Cambridgeshire (with high rates of build in South Cambridgeshire and Huntingdonshire).

(7) Retain global position and reputation, and (8) Maintain net contribution to UK treasury - Cambridgeshire and Peterborough is internally renowned for its knowledge and innovation in key sectors, such as life sciences. The region must continue growth in these sectors to maintain competitive advantage and make its expected contribution to UK economy. This was explored in greater detail within the CPIER which called on government to invest in the region in

⁵ [UK Prosperity Index 2022 | Legatum Institute \(li.com\)](https://legatum.com/uk-prosperity-index-2022)

order to accelerate its return. A measure of reputation will be the ability of the area to attract foreign direct investment. The East of England recorded the largest increase in inbound Foreign Direct Investment (FDI) projects out of all parts of the UK in 2020, with the number of overseas-backed projects in the region rising 35% to 54 from 40 in 2019, according to the EY 2021 UK Attractiveness Survey. Cambridge was ranked as the joint 9th best city in the UK for FDI projects in 2020 (with Bristol), while Peterborough was ranked joint 12th (with Coventry and Nottingham).

[Links to the Wider Policy Framework: Strategies enabling good growth](#)

- Cambridgeshire and Peterborough Economic Growth Strategy (Combined Authority)
- Agri-Tech Sector Strategy (Combined Authority)
- Life Sciences Sector Strategy (Combined Authority)
- Advanced Manufacturing and Materials Strategy (Combined Authority)
- Housing Strategy (Combined Authority)
- Non-Statutory Spatial Framework (Combined Authority)
- District Housing Strategies (Constituent Authorities)
- District Local Plans (Constituent Authorities)

Priority Area: Improving Connectivity

Priority Purpose:

Digital and physical connection to communities, professional networks, health services, leisure, nature and to places of employment and education. Reducing the need for travel with more services located within communities.

Delivering:

- Reduced rural isolation
- Improved Highway connectivity
- Sustainable and reliable public transport

What this means:

- Delivering a sustainable, modern, resilient, integrated, and affordable transport system for the people and businesses of Cambridgeshire and Peterborough.
- Enabling multi-modal low carbon connectivity – cycling, walking, bus, rail and roads -within, through and beyond our region.
- Using and learning about technology to enable more hybrid and digitally supported lives

Priority Key Deliverables:

- Transport accessibility
- reform the bus network (including assessing bus franchising options) and bus sustainability
- rail and station improvements
- road enhancements and improvements

Active Travel

- Cycling schemes
- E-mobility
- Walking routes

Digital Connectivity Infrastructure

- Digital resilience
- Smart streets and towns

- Broadband and mobile

Outputs⁶:

- Miles of cycle and other active travel schemes funded
- Number of Stations and miles of heavy rail infrastructure improved
- Affordable bus network supported and developed
- Gigabit and Full Fibre coverage
- Highway investment to support growth sites (effectiveness measured by jobs / housing growth on sites)
- Innovations supported such as micro-mobility and demand responsive travel (measured by travel take-up)
- Community Transport supported

There is a commitment to reduce road traffic by 15% within the draft Local Transport and Connectivity Plan (LTCP). Road traffic levels have remained relatively stable for both our cities over the last five years however market towns have seen some traffic growth, for example Chatteris has seen growth of over 20% and Whittlesey of over 15% reflecting housing growth as well as reliance of cars to travel to work. Pre-Covid rail passenger growth was strong with over 950,000 passenger movements recorded for the new station of Cambridge North in 2019/20. Bus passenger numbers declined; Peterborough saw a reduction of 27% between 2014/15 and 2018/19 (3 million fewer passenger journeys) whilst Cambridgeshire saw a reduction of 6% (1 million fewer). Covid has worsened the position further with bus services but has accelerated trends in home working contributing to some reduction in congestion.

Outcomes⁷:

Key metrics from the Local Transport and Connectivity Plan cover growth, connectivity and resilient communities for inclusion. Achieving the ambitions within the plan will require the CPCA to continue to attract excellent levels of funding in order to invest in schemes. With the right level of investment, the following improvements can be targeted.

(1) Increasing public transport and sustainable travel connectivity - Good quality infrastructure enables the delivery of a range of other outcomes. At present the mode share for sustainable transport is measured at a limited set of screen lines. For the early COVID period the mode share for sustainable

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transport dropped as many people worked at home or avoided public transport; the aim is to build this back up. According to national accessibility models, access to at least one local employment centre (a place with between 500 to 4,999 jobs) by public transport or cycle is relatively good across the Combined Authority area although access from rural areas into Cambridge and Peterborough is less widespread leaving many to rely on the car. A focus on connectivity will also include (4) looking for measurable improvements in connectivity for 'left behind' areas, with reference to the work of OSCI8 in identifying these places across the England.

(2) Reduction in numbers of people killed or seriously injured on region's roads - The overall vision and long-term goal for the Road Safety Partnership is to achieve Vision Zero, where no people are killed or severely injured on the partnership's roads. This includes the adoption of a 2030 target of a 50% reduction in road deaths and serious injuries, only 234.

(3) Reduced congestion on major roads

Current views of congestion (led by the DfT) are divided between the strategic road network (mainly motorways and major dual carriageways) and the A-Road network. On a strategic level the opening of the new section of the A14 has addressed the longest standing issue in the region however areas of concern remain the A11 / A14 around Newmarket, the A428 between St Neots and Caxton and the A47 between Wisbech and Peterborough⁹. For the A Road Network the concerns are the access to central Cambridge, A142 / A11 Junction and parts of the Peterborough Road network including the A605¹⁰

(4) Measurable improvements in connectivity for 'left behind' areas.

Local Trust and OCSI developed a quantitative measure of left-behind areas using open data, including developing a Community Needs Index. The resulting report 'Left behind? Understanding communities on the edge' suggests that deprived areas, when combined with the absence of places to meet, the lack of an engaged community and poor connectivity, fare worse than other deprived areas. The report specifically identifies parts of Fenland as requiring additional investment to overcome lack of connectivity.

[Links to the Wider Policy Framework: Strategies enabling Better Connectivity](#)

Local Transport and Connectivity Plan (Combined Authority)

- Bus Strategy
- Alternative Fuels Strategy

⁸ ['Left-behind' areas - Understanding communities on the edge - OCSI](#)

⁹ [SRN Speed and Delay 2021 \(arccis.com\)](#)

¹⁰ [Local A Roads Speed and Delay 2021 \(arccis.com\)](#)

- Vision Zero
- *Each district transport strategy supports the overarching vision and objectives of the Cambridgeshire and Peterborough Combined Authority's developing Cambridgeshire and Peterborough [Local Transport and Connectivity Plan \(LTCP\)](#) and will be adopted as a 'child document' of the LTCP*
- Digital Sector Strategy (Combined Authority)
- Digital Connectivity Infrastructure Strategy (Combined Authority)
- [Electric Vehicle and Infrastructure Strategy](#) (Cambridge City Council)
- [Digital strategies](#) (Cambridge City Council)
- [Rail Development Strategy](#) (Fenland District Council)
- Transport Strategies (Peterborough City Council)

Priority Area: Ambitious Skills and Employment Opportunities

Priority Purpose:

Inclusive and world-class local skills system that raises the ambitions, matches the needs of our employers, learners and communities to enable a successful, globally competitive economy offering high-skilled, well-paid and good quality jobs to deliver increased productivity and prosperity for our communities.

Increasing:

- Social Mobility
- Accessible and attractive labour markets
- Lifelong learning and career prospects
- Improved health and wellbeing
- Improved community connection

What this means:

- Bringing together people, employers, providers and place leaders to guide and drive an integrated approach to skills and employment in our region.
- Creation and ongoing sustaining of more jobs and increased career prospects.
- Widening adult and post-16 education access, capacity and participation, including access to general and careers focused information, guidance and advice.
- Increasing lifelong learning and work-based opportunities.
- Attracting more businesses to grow or relocate to Cambridgeshire and Peterborough.
- A regional curriculum enabling:
 - A dual-track system, anticipating long-term needs and responding with agility in the short-term
 - A coordinated place-based action framework, to engage all stakeholders in addressing multiple/complex educational needs
 - Greater equity – by closing the gap in areas where skills levels are below the national average. Targeting citizens in Peterborough, Fenland, and areas of low attainment within wider Cambridgeshire.

Priority Key Deliverables:

Enhancing Careers Education, Information, Advice and Guidance through:

- Cambridgeshire & Peterborough Careers Hub
- Influencing national providers of Careers

Delivery of Lifelong learning and workforce skills:

- Continue to target the delivery of the Skills Fund (AEB and Free Courses for Jobs)
- Skills Bootcamps to better meet local need
- Improve numeracy and number confidence among our citizens through delivery of Multiply

Employer engagement and access to talent:

- Implementing a Health and Work Strategy to address economic inactivity and productivity
- Delivering Growth Works with Skills

Lobbying for a second Skills Devo Deal that strengthens our current programme and delivers greater impact. Our asks:

- A simplified Single devolved revenue budget for all skills programmes
- A Single devolved capital budget for all skills infrastructure funding streams
- A Single devolved Careers budget

Building Skills Infrastructure

- FE Cold Spots
- ARU Peterborough Phase 3
- Centre for Green Technology at Peterborough College
- Net Zero Centre at Wisbech
- North Cambridgeshire Training Centre (NCTC)

Outputs¹¹:

- Number of Apprenticeships
- Numbers of AEB learners
- ARU Peterborough enrolments
- Participation in learning and skills provision
- Achievement of learning aims
- Progression into employment, higher levels of learning, in-work promotion or volunteering

Young people leaving school at 18 are less likely to go on to study in Higher Education, Further Education or through an apprenticeship in Cambridgeshire and Peterborough than on average across the country. Only 31.5% are progressing onto HE, compared with 35.2% nationally, with 6.4% progressing onto FE compared with 9% nationally, and 8.5% progressing onto apprenticeships compared with 9.3% nationally. On the positive side the Employment and Skills Strategy reports particularly high workplace training rates in Peterborough and Fenland, demonstrating that residents can, and do, access up to date work experience and skills at work. Learner participation in courses funded by CPCA's Adult Education Budget grew from the first year of devolution in 2019/20, from 8,421 to 9,097, this is despite the disruption to learning caused by Covid-19.

Outcomes¹²:

(1) Closing the skills gap with the national average for: a) Peterborough b) Fenland c) pockets within wider Cambridgeshire - A good example of the gap that currently exists is the 32.1% of Peterborough's workforce currently educated to Level 4 or above compared to 43% nationally, a gap of over 10 percentage points.

(2) An increase in % of the population qualified to Levels 2, 3 and 4, and high qualifications. - The % of the population with a level 3 qualification across the Combined Authority area has steadily increased since 2017. The most pronounced gap is between Fenland (40.4% with a level three qualification) and South Cambridgeshire (75.9% with a level three qualification) again the target is to reduce the gap. As per the outputs section there will also be a focus on local leading indicators such as outputs from the Combined Authority skills programme, and the use of contextual data such as reported University applications from different areas. Whilst the CPCA aims for steady progression there also needs to be a focus on level four qualifications in order to support

¹¹ Our output measures show what the Combined Authority is achieving in the short term, based on the actions that we have taken. Over the longer term these outputs lead towards the outcomes; the improvements in wealth, health and wellbeing for everyone in the area.

¹² The outcomes describe what it is that the CPCA really wants to provide for the people living in the area; the improvements in wealth, health and wellbeing. The delivery of this strategy is designed to support the achievement of targeted outcomes for each priority area. Monitoring these is important as this is the point at which there will be material change and improvements in the life of people living and working in Cambridgeshire and Peterborough. They will be able to see and benefit from the Combined Authorities work. Individual project and programme delivery and performance will continually be monitored and reviewed using appropriate evaluation methods, outcome tools and reference and inclusion of national statistics. High level logic models will set out the linkage and focus of delivery and impact, detailing 'Inputs' > 'Activities' > 'Outputs' > 'Outcomes'.

the future needs of the labour market.

(3) Reduced difference in household income between most deprived and least deprived areas, and (4) Increase in percentage of population in well-paid employment. - Average (mean) household disposable (net) income in local areas of England and Wales differed by just over £55,000 from the lowest to the highest, in the financial year ending (FYE) 2018 (ONS small area income estimates¹³). Parts of Fenland have an average household income of just £24,000 compared to South Cambridgeshire with many areas averaging over £40,000.

According to the ONS¹⁴ 7% of the Cambridgeshire and Peterborough Region's employees were in low paid employment (earning two thirds of the UK median or less). When categorising low pay based on two-thirds of local median pay, employees living in Cambridgeshire & Peterborough Combined Authority; Aberdeen City Region; and the Greater London Authority were significantly more likely to be in low-pay employment than in other city regions. There is a nine-percentage point difference between male and female employees receiving low pay in the Cambridgeshire & Peterborough Combined Authority region (28% compared with 18%). This shows that our area has significant disparities in income.

(5) Improved health and wellbeing as measured by ONS Health Index - Improving health and wellbeing is a long-term goal for the Combined Authority as the organisation does not provide services that have a direct impact on health but can support change in economic conditions that influence health outcomes generation to generation.

The result of health inequalities across the area (a domain in the Index of Multiple Deprivation) is demonstrated in healthy life expectancy. There are stark differences between local authorities and the communities within them. For instance, in Cambridge healthy life expectancy ranges from 80.4 years in the most deprived communities to 85.2 years in the least deprived communities (above national averages), and in Fenland the range is 73.1 to 77.5 years (below national averages). This compares to the England average of 75 to 82.8 years.

[Links to the Wider Policy Framework: Strategies enabling Improvement in Skills and Job Growth](#)

Employment and Skills Strategy (Combined Authority)

- Work, Health and Wellbeing Strategy (Combined Authority)

¹³ [Income estimates for small areas, England and Wales - Office for National Statistics \(ons.gov.uk\)](#)

¹⁴ [Job quality indicators in the UK – hours, pay and contracts - Office for National Statistics \(ons.gov.uk\)](#)

Priority Area: Enabling Resilient Communities

Priority Purpose:

Providing the infrastructure and support to enable communities across the region to be adaptable to environmental and climate, financial and social crises and be well placed to extend cultural opportunities for Cambridgeshire and Peterborough to be a great place to live and work.

The region is able to:

- Mitigate the climate crisis impact, build flooding and fire resilience
- Increase biodiversity
- Enable sustainable farming whilst protecting some of the most productive farmland in the country
- Have the infrastructure – power and water especially - needed to achieve sustainable growth
- Reduced accidents on region's roads
- Reduce impact of costs of living and fuel poverty crises

What this means:

- Coordinate climate net zero priorities and delivery
- Green Homes and Net Zero Hub Sustainable Warmth delivery programmes tackling fuel poverty by increasing low income household's energy efficiency rating while reducing energy bills
- Increased ability to adapt to climate related issues. Reduction of impact on climate leading to less occurrence of floods and fires
- Infrastructure – such as water and power - that can cope with the rate of growth
- Increasing safety of travelling within and through our region.
- Celebrating the cultural identity(ies) of Cambridgeshire and Peterborough
- Extending culture and the arts; encouraging of cultural diversity across our region

Priority Key Deliverables:

- Environmental and Climate
- Climate Action Plan / Doubling Nature
- Alternative Fuel Strategy deliverables
- Sustainable agriculture
- Nature restoration
- Greater South East Net Zero Programme
- Retrofit in Care Homes and Village Halls

Infrastructure

- Power and water sufficiency (eg, reservoir, renewable energy grid)
- Preservation of infrastructure (eg, dykes)
- Road safety – Vision Zero and junction upgrades

Social

- Enabling creative industries
- Sustainable Warmth
- Supporting partner culture bids, eg. City of Cambridge Culture

Financial

- Green Homes Grants

Outputs¹⁵:

- Additional Infrastructure to support sustainable growth (water and power) is delivered
- Percentage of Bus fleet converted to electric
- Additional land devoted to nature or number of acres of land turned over to nature recovery
- Number of landowners receiving support to encourage nature
- Number of homes and other buildings insulated or upgraded

¹⁵ Our output measures show what the Combined Authority is achieving in the short term, based on the actions that we have taken. Over the longer term these outputs lead towards the outcomes; the improvements in wealth, health and wellbeing for everyone in the area.

Outcomes¹⁶:

(1) Reduction in CO2 emissions for Cambridgeshire and Peterborough - The annually published DeFRA model for emissions shows that for the Combined Authority area **CO2 emissions have been falling, in line with GB** (but not fast enough to avoid a range of adverse impacts). At present emissions per head are slightly below that of the eastern region. Transport emissions were at a peak in 2017 and have since fallen. Other transport related indicators, such as modal shift and electric vehicle usage, that support a reduction in CO2 are included in the connectivity section.

(2) Increase in biodiversity with improvements in both common and red-list species - Provisional figures on nature rich habitat show approximately **11.5% of the land area** of the Combined Authority being of this sort, although this figure might be significantly lower, depending on the quality of the data. Survey work has commenced to test this as much of the baseline data is out of date. The target to double this alongside GVA is ambitious and will require some significant changes in land use up to 2045. There will also be measurement of the availability of public open space.

(3) Healthy Life Expectancy at Birth rates to increase and (4) Reduction in the gap between the healthiest and least healthy places - Improving health and wellbeing is a long-term goal for the CPCA as the organisation does not provide services that have a direct impact on health but can support change in economic conditions that influence health outcomes generation to generation.

The Health Index provides a single value for health that can show how health changes over time. Currently South Cambridgeshire and East Cambridgeshire are scored as the healthiest places and Peterborough and Fenland as the least healthy. There will also be measurement of life expectancy with a target to reduce the gap between the wealthiest and poorest areas; **South Cambridgeshire has a life expectancy of 83 years for males compared to a low of 78.5 for Peterborough**. There will also be measurement of Killed or Seriously injured statistics on our roads, healthy life expectancy and use of the sub-domains of the Health Index.

(5) Reduction in percentage of households living in fuel poverty

Households living in fuel poverty are defined as those Fuel poverty in England is measured using the Low-Income Low-Energy Efficiency (LILEE) indicator. Under this indicator, a household is considered to be fuel poor if they are living in a property with a fuel poverty energy efficiency rating of band D or below And when they spend the required amount to heat their home, they are left with a residual income below the official poverty line. There are 3 important elements in determining whether a household is fuel poor; total household income, household energy requirements and fuel prices. According to sub-regional fuel poverty indicators¹⁷ Fenland is the area within the Combined Authority with a much higher average of households in poverty compared to

¹⁶ *The outcomes describe what it is that the CPCA really wants to provide for the people living in the area; the improvements in wealth, health and wellbeing. The delivery of this strategy is designed to support the achievement of targeted outcomes for each priority area. Monitoring these is important as this is the point at which there will be material change and improvements in the life of people living and working in Cambridgeshire and Peterborough. They will be able to see and benefit from the Combined Authorities work. Individual project and programme delivery and performance will continually be monitored and reviewed using appropriate evaluation methods, outcome tools and reference and inclusion of national statistics. High level logic models will set out the linkage and focus of delivery and impact, detailing 'Inputs' > 'Activities' > 'Outputs' > Outcomes'.*

¹⁷ [Sub-regional fuel poverty data 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2022)

England (13.2%) with 15.3% (6,731). Cambridge and Peterborough are also above the England average with a sum total of 19,500 households estimated to be in fuel poverty.

[Links to the Wider Policy Framework: Strategies enabling Resilient Communities](#)

- Climate Action Plan (Combined Authority)
- Cambridgeshire & Peterborough Independent Commission on Climate
- OxCam Arc Environmental Principles (Combined Authority)
- Nature Recovery Strategy (Combined Authority)
- Non-Statutory Spatial Framework (Combined Authority)
- [Councils Climate Change Strategies](#)
- [District Local Plans \(e.g. New Greater Cambridge Local Plan](#) Cambridge City Council)
- [Anti-Poverty Strategy](#) (Cambridge City Council)
- [Vulnerable Community Strategy 2018-2023](#) (East Cambridgeshire District Council)
- Environment strategies (e.g. [Environmental Policy 2022](#) East Cambridgeshire District Council)
- Culture strategies (e.g. [Creativity and Culture Strategy](#) Fenland District Council)
- [Communities Strategies](#) (Peterborough City Council)
- [CultureStrategy 2015-20](#) (Peterborough City Council)

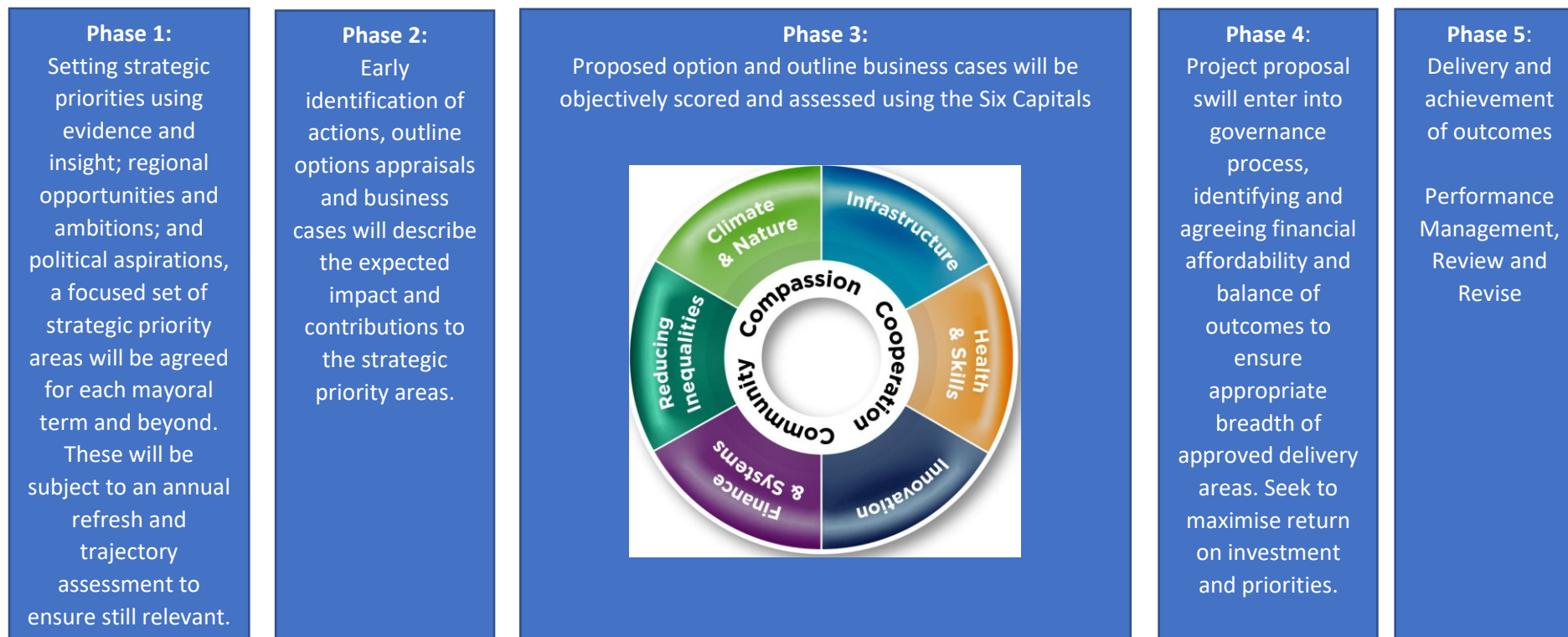
Strategic Framework and Governance

Strategic Framework

The framework to support achievement of the strategic ambition takes a thematic approach based upon the Six Capitals¹⁸ to ensure that the work of the Combined Authority is sustainable over the medium to long-term. We will ensure that decisions, deliverables, and outcomes will be guided by this framework.

A cohesive vision and delivery plan are critical to informing how the governance framework of a Combined Authority operates in an integrated and coordinated way, ensuring a golden thread exists between objectives and ambitions, and strategy, finance, performance management, accountability, and structure. The Governance Framework provides the platform for effective decision-making, strategy development and implementation and monitoring.

¹⁸ Six Capitals is a framework against which to measure sustainability and the building of value. [The Wealth Economy - Bennett Institute for Public Policy \(cam.ac.uk\)](https://www.cam.ac.uk/research/wealth-economy)



HOW WE WORK

Role of the Cambridgeshire & Peterborough Combined Authority

The Combined Authority, with its partners, deliver key outcomes for the people of Cambridgeshire and Peterborough. The Combined Authority receives funding and powers from Central Government, which the Mayor and the Combined Authority Board oversee.

The Combined Authority works with our local councils, the Business Board (Local Enterprise Partnership), local public services, Government departments, national bodies and agencies, universities, colleges and schools, voluntary and third sector, and businesses to enable the area to be healthier and wealthier,

and grow the local and national economy. Many of the key deliverables supporting the ambition and priorities within this strategy are delivered with and by robust operational partnerships and stakeholders.

We influence, commission and deliver practical, ambitious projects that increase wellbeing and economic growth across the region, levelling up and empowering the North of Cambridgeshire and Peterborough while building on and accelerating the ambition and international reputation of the South. We look to enable further resilience across the region and build environmental sustainability into our decision making.

Being a Mayoral Combined Authority (MCA), our region is able to garner benefits considered unique to MCAs and their local areas in comparison to individual local authorities: MCAs are realising benefits by:

- Maximising the profile and influence of the mayor and their ambitions for the area
- Providing stronger leadership and governance
- Delivering greater and more effective strategic thinking and development – vs often siloed local level delivery
- Regional convening and co-ordination and ability to transcend organisational, geographical and policy boundaries; and share best practice more widely
- Leveraging funding, capacity and more robust operational partnerships
- Designing more tailored projects and programmes that are underpinned by local knowledge and intelligence
- Strengthening channels for citizen participation and potential to influence decision making

To deliver this strategy the Combined Authority is uniquely placed to bring together the collective strengths of the region. Through providing strategic and policy leadership and commissioning needed activity, the Combined Authority will add to what is being delivered locally to bring benefit to residents and communities. Enabling and using a consistent and joined-up voice for the region we will influence national and partner policy, strongly advocate, access and act as a conduit for funding channels and drive to ensure Cambridgeshire and Peterborough builds on its international reputation and magnetism and as a net contributor to the treasury.

Ten operating principles to guide the way we will work. The Combined Authority will:

1. Actively lobby, promote and champion our region to attract funding and investment to deliver our region's vision and strategic priorities
2. Coordinate, convene and influence one combined voice for the region's priorities, devolution and national policy, enabling additionality for the region through focusing on what can be achieved collectively
3. Commission the best placed delivery organisation
4. Recognise, enable and celebrate differences across the region and strengthen channels for community and citizen participation to improve the local economy and quality of life

5. Provide and seek collective leadership and co-production with constituent authorities and other key stakeholders for a coherent regional approach and achievement of targeted outcomes
6. Engender relationships built on honesty and trust
7. Ensure regular and ongoing communication and engagement with stakeholders
8. Enable and build on innovation, best practice, and forward strategic thinking to build the positive future we want for the area
9. Be agile, recognise and change risk appetite as appropriate
10. Ensure knowledge transfer and wide sharing of best practice happens regularly, especially during periods of Leader or Officer change

Our Organisational Values

The Combined Authority are working towards adopting the following five values:



Appendix 2:

Mayoral Ambition Statement

Mayoral Ambition Statement

Mayoral Ambition: To have a healthier and more prosperous Combined Authority region

Mayor Dr Nik Johnson aims to leave a lasting legacy that continues for years to come that enables improved life expectancy and those additional years lived to be in good health and wealth. Reduced inequality, sustainable growth, more active communities and a region that celebrates and further enhances its uniqueness on the local and global stage, will be the enduring impact.

Delivering on this ambition through strong partnerships and complementing the focus and delivery of the Combined Authority, the Mayor aims to build upon the delegated powers and Combined Authority achievements to continue enabling the region to grow and thrive. With more connectivity, spreading of prosperity, developing skills and improving the region's environment and resilience, the Mayor's ambition can be achieved.

Mayoral Pledges:

1) A Locally determined, innovative, and public transport system that is fit for the future

A first choice, sustainable, inclusive public transport system for everyone, locally determined that wraps around the best of sustainable innovation to deliver affordable, low cost integrated travel.

Key deliverables

- A bus franchising system that is sustainable and fit for the future
- Reducing rural isolation by improving connectivity between our rural areas, towns and cities
- Supporting the provision of low-cost travel
- Advocating for and working towards the development of a green travel network
- Integrated and multi modal options
- Promoting and delivering the health and environmental benefits of a culture of Active Travel
- Work with partners to promote safe road usage and support the local Vision Zero ambition of reducing road deaths and serious injuries by 50% by 2030.

2) Promote, protect and grow our unique Fens

Building a resilient Fens, able to mitigate the impact of the climate crisis, build flooding and water stress resilience, increase biodiversity and enable sustainable farming to drive growth in the Fens area. Enhance recognition of the Fens through potential formal designation to further drive sustainable growth.

Key Deliverables

- Tackle pressing water related challenges and opportunities
- Accelerate delivery of key water infrastructure programs including interim measures
- Delivery of the Future Fens integrated Adaptation initiative
- Work with geographical neighbours to consider national/international designation

3) Creating a strong sense of place and cultural identity for our region

The Combined Authority is uniquely placed to further foster a strong identity for our entire region and increase cultural opportunity and access to diverse activities across the region. Growing creative industries will drive the local cultural offer, making Cambridgeshire and Peterborough an attractive place to live and work.

Key Deliverables

- Working towards growth that is inclusive for the whole region
- Nurturing the growth potential of creative industries and skills
- Connecting communities with a place based cultural offer
- Clear culture of partnership working with public, private and voluntary sector organisations
- Enabling communities to be resilient and adaptable

4) Working with ICS to support the delivery of better health outcomes and address health inequalities in our region

Through working with our ICS and health system partners we can help our communities live healthier for longer. Increasing skills and employment, reducing congestion and use of pollutants, and encouraging more active travel and lives are just some of the activities that can help achieve better health outcomes, including reducing obesity and improving mental health.

Key Deliverables

- Active Travel
- Enabling well-paid employment and career progression
- Reducing congestion and fossil fuel vehicle usage through our region
- Access to natural environment

How this aligns with the Combined Authority

These Mayoral ambitions sit together alongside the Combined Authority's strategic deliverables:

- Achieving good growth
- Increasing connection through digital and integrated transportation
- Delivering inclusive skills systems and employment opportunities
- Attracting businesses to locate in Cambridgeshire and Peterborough
- Providing infrastructure and support to aid communities to be resilient

Pursuing this Mayoral ambition will rely on delivering a programme of successful, unified schemes to achieve measurable outcomes. Working in strong partnership with constituent authorities, businesses, communities, NHS, ICS, Central Government and key partners across the region will create the conditions for some considerable success.



Agenda Item No: 3.1

Combined Authority Monthly Highlights Report: January 2023

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 January 2023

Public report: Yes

Lead Member: Deputy Mayor

From: Gordon Mitchell, Chief Executive

Key decision: No

Recommendations: The Combined Authority Board is recommended to:
Note the content of this report.

Voting arrangements: No vote required.

1. Purpose

This report provides a general update on the key activities of the Combined Authority and the Mayor since the last Board meeting, which are not covered in other reports to this Meeting. It also provides information on some key developments, risks and opportunities that have emerged.

2. Updates

2.1 Organisational Update

2.1.2. National Policy Developments

The Chancellors Autumn Statement delivered on the 17 November outlined a number of issues of interest. Subsequent weeks have provided better insight and understanding of some of these issues and proposals.

There appears to be a fresh and potentially significant refocus on **devolution**. The statement outlined the intention to agree two trailblazer pilots with Greater Manchester CA and West Midlands CA. Since then, the initiative has been extended to include the North East of England CA as part of the agreed new deal for the restructured area. While this development is potentially very significant it remains to be developed for practical implementation. As is often the case the issue of Treasury oversight and agreement with individual departments remains a challenge.

The broad intention was reported as seeking to agree further county deals and then to engage MCAs in 'Devo 2' deal conversations thereafter – touted as later in 2023/24. If this path is firmed up, then clearly there is a major opportunity for the CPCA, and it will be prudent to begin work to refine the package we would wish to promote and assemble the right research base.

The early proposals for **Investment Zones** were scrapped – reportedly largely as a result of widespread concerns about lack of environmental protection. Early information after the autumn statement suggested there might still be a more limited initiative more customised on a small number of locations and networks. Unfortunately, no further clarity has emerged at this time. This opportunity was certainly of some interest in the CPCA area and informal exploration continues.

A second announcement related to the possible **devolution of skills** funding to create a unified funding 'pot' at MCA level. The government established a review to consider this to be led by Sir Michael Barber. It was scheduled to report later this year.

There has also been a change to the way a Directly elected mayor will be elected in future.

Section 13 of the Elections Act 2022 was recently amended by The Local Authorities (**Mayoral Elections**) (England and Wales) (Amendment) Regulations 2022. The law amended voting system from the Supplementary Vote system to the simple majority system, ie, first past the post. This amendment came into force on 26 October 2022.

These changes will be in place for any elections from 4 May 2023.

One of the major partnerships of potential significance for CPCA has been the Oxford to Cambridge ARC. While the importance has waxed and waned in terms of government interest discussions have taken place over recent months to replace it with a voluntary partnership – **the OCPRP**. With encouragement and funding from government work is underway to establish fresh governance and focus. A shadow board is already meeting to oversee these developments. The CPCA Mayor has a seat on the board and a number of our board members stepping forward to place key roles in the committees. A key difference from the earlier incarnations is the plan to recruit an independent chair.

The networks of universities and LEPs continue to invest effort in this initiative.

The task in the short term is to set out the focus and pass the 'tests' to become recognised by government as a Pan Regional Partnership.

2.2 Improvement and Assurance

It may not be easily visible to the Combined Authority Board but the period of December to February is a busy period for officers in providing and supporting key external assurance processes.

This includes engagement to support the External Auditor as they prepare their annual opinion.

A second is the annual process of assurance relating to the 'LEP' activity. This features a number of assurance submissions to BEIS, some of which support challenge meetings. The Annual Performance Review meeting this year is scheduled to take place on 2nd February 2023.

Board should also be aware that the 'intervention' triggered by the letter from the External Auditor in May, and the ongoing special attention of DLUHC have required direct responses but have also triggered additional demands for assurance related evidence from the DfE relating to contract awards and payment.

At the time of writing there remains a matter of some risk. Members may recall that DLUHC intervened directly by taking a precautionary approach to the transfer of funding to CPCA until they have assurance that there are appropriate plans in place to reach a resolution to the series of concerns highlighted by CPCA's auditors. The department paused the payment of the 2022/23 Mayoral Capacity Fund of £1m being part of the Revenue Single Pot, and LEP core funding of £375k.

While this retention of funding in the short term has limited consequences in cash terms, officers have been seeking assurance about future payments. This issue relates to the MTFP in so far as it affects the assumptions about available funds. Additionally in accounting terms it has a consequential effect on the ability of the External Auditor to provide an opinion on future financial plans.

Officers continue to seek the necessary assurances and can provide a verbal update at the meeting.

In addition, board will recall that the devolution deal is subject to a 5 yearly review which releases the 'deal funding' for the subsequent 5-year period. The second of these quinquennial reviews occurs in 2023-24. The initial engagement with civil servants commenced in December and the first formal meeting to outline the process and requirements takes place on 19 January.

2.3 Funding Activity

Work to attract and secure additional funds for application in the area is continuous. Often this is in response to government initiatives. It is a mix of competitive bidding, provision of evidence to secure allocations and ad hoc available funds. It is a feature of this time that these are for smaller amounts very often at short notice. We need this to change as it requires a very significant amount of work from officers at the CPCA and in all of the constituent councils with uncertain outcomes.

By way of illustration confirmed funds from various bidding and submission exercises, almost all of which are in partnership, since the last board can be summarised as:

- £4m for Peterborough Bus Depot
£3m for Phase 2 of the University of Peterborough programme
- £1m for the redevelopment of Fanshawe Road
- £2.9m Skills Bootcamps wave 4
- £823k Active Travel revenue grant
- £66k across 3x small skills grants to support 'Teacher Encounters' (£15k), 'Primary Careers' trailblazer (£32k) and 'Rethinking apprenticeships' (£19k)
- £1.3m partner bid with New Anglia LEP for the Create Growth Programme (N.B. not being delivered by CPCA so doesn't appear in our budget)
- £169k Local Transport Fund
- £9.8m UKSPF
- £35k DEFRA grant to fund capacity for work on the Local Nature Recovery Strategy (LNRS) – this was allocated to all 'responsible bodies' leading on a LNRS.

2.4 Climate and Nature

2.4.1 **Care Homes** Climate Change Programme: We have worked with council officers to refine the Programme and have mapped the distribution of eligible care homes. The expression of interest stage for local care home managers is launched in January.

2.4.2 **Investing in Nature Fund:** Positive interest in projects for the £1m Fund, and Natural Cambridgeshire are currently assessing the first round of applications for the Fund received by the December deadline.

2.4.3 **Cambridge City Portrait:** Cambridge City Council is working with researchers and stakeholders to build a detailed picture of Cambridge in terms of its environmental, economic, and social aspects. Using the latest and best data available, the portrait will inform discussions about the type of city Cambridge could be and identify issues that need priority action.

2.4.4 **Climate Action Plan:** ahead of the progress report to the March Board the workstream leads met to discuss progress and updates to actions. These will be discussed by the Climate Partnership for recommendation to Board.

2.5 Relevant Government Developments

2.5.1 In January, BEIS published the **Independent Review of Net Zero**. This Review emphasises that the UK must go further and faster to realise economic benefits. Government and industry can work to better exploit the opportunities and catalyse action. It backs using infrastructure investment and local action, including reforming the planning system, to deliver the green transition.

2.5.2 From 2024 government intends to enact the requirement in the Flood and Water Management Act for all new developments to include **Sustainable Drainage Systems**. This was one of the recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate. It will deliver improved flood resilience and more green infrastructure with funding for its ongoing maintenance.

2.6 Education, Skills and Employment

2.6.1 **Traineeships:** On the 12 December the Government announced that Traineeship provision will be integrated into the Department's general post-16 provision from 1 August 2023. This will end the national standalone programme and move traineeships into general provision. This aims to simplify the skills landscape and will enable greater flexibility to meet local need and provide better outcomes for young people who need more tailored support.

Officers are engaged with the Department for Education to work through the transition arrangements.

2.6.2 **Maths Ambition:** On the 4 January the Prime Minister in his speech outlined his ambition for all young people to continue to study 'some form of maths' until the age of 18. The DfE have engaged with officers at the Combined Authority to start developing what this provision could be.

2.6.3 **Careers In Primary Schools:** The Combined Authority has been chosen as one of four trailblazers in a new national scheme to introduce a new career-related learning programme in schools. The programme is led by the Careers and Enterprise Company backed by £2.6 million from the Department for Education. It is a targeted programme for 2,250 primary schools, reaching around 500,000 pupils, located in 55 Education Investment Areas (EIAs) around the country.

2.6.4 It is hoped that this might be a precursor to the creation of a consolidated **All Age Careers Service** which would offer transformative pathways to great careers starting within schools and supporting people throughout their working lives.

- 2.6.5 **New Provider Network:** The Skills team are launching a provider network in January. The main aim of the network is to build a community of good practice and ensure we have sufficient high-quality providers engaged in the Combined Authority region to deliver our skills requirements. All existing providers have been invited to attend the first meeting.
- 2.6.6 **Working in partnership and co-production** - Three 'Think Tanks' were convened for the different provider types that the Combined Authority contracts with, working alongside national sector-bodies: the Association of Colleges, HOLEX and Association of Employment and Learning Providers. They provide a forum for open discussion and reflection about future funding policy changes and direction.
- 2.6.7 **Adult Education Budget (AEB):** Participation in learning opportunities continues to increase in the 2021/22 academic year, with 9,770 residents benefiting through AEB, compared to 9,061 in 2020/21. This is a 10% increase in take-up against a national decline. Level 3 courses have increased from only 0.9% in 2019/20 to 3.4% of all enrolments in 2021/22.

Over 1,500 residents participated in English for Speakers of Other Languages and there was an 18% improvement in completions. An Annual Report for the ESOL Planning Partnerships has been published and shared with the Skills Committee, with our work recognised as national best practice. We have been able to access additional funding from DHLUC to support Hong Kongers, and over 50 have benefited from support to date.

- 2.6.8 **Skills Bootcamps Wave Four:** The Skills Team has secured an additional c£2.9m to deliver Skills Bootcamps through a successful proposal to DfE. Delivery of this Wave of funding will commence in April 2024.

2.7 Business Support and Investment

- 2.7.1 **UK Shared Prosperity Fund (UKSPF):** The Combined Authority received confirmation that the allocation of £9.8 million core UKSPF was approved by Government and the Grant Funding Agreement issued from DLUHC has been signed and returned to accept the award. Officers are working with all Local Authorities to cascade requirements of the funding agreement plus required CPCA project assurance and to drive delivery of the projects.
- 2.7.2 **North Cambridgeshire Training Centre:** Completion of the additional roundabout work on the A141 in Chatteris now means the training centre is fully accessible and operational to deliver the apprenticeship and wider training provision as planned.
- 2.7.3 **Create Growth Fund:** Together with the New Anglia LEP and wider University and other partners (University of East Anglia, Anglia Ruskin University, University of Suffolk, Norwich University of the Arts, Norfolk County Council, and Suffolk County Council) an allocation of £1.275 million has been secured from DCMS. The funding agreement from Government was signed in December by New Anglia LEP as the lead body. The partners met in December 2022 to organise the commencement of delivery on the support programme across Norfolk, Suffolk and Cambridgeshire to prepare potential high growth creative sector organisations for seed funding.

2.8 Transport

The Department for Transport has confirmed the TWAO for the proposed new rail station Cambridge South, a successful outcome for all partners concerned. We look forward to a related ministerial visit in due course.

Active Travel England has awarded £823k Capability & Ambition Fund support for technical expertise to develop active travel, including funding for Active Travel Advocate and a centre-of-excellence website.

The Combined Authority awaits the Government's deferred decision on LUF2 funding for Peterborough Station Quarter. Also looking to support applications to Government for Transport Research Innovation Grants, or TRIG. These are £30k packages for research to be completed before September 2023. Cambridgeshire CC is continuing to progress the A10 Ely-A14 Improvements and A141 and St Ives Improvements

We are assessing the impact of the December announcement for Judicial Review on the planning applications for the three National Highways A47 Schemes on our projects.

Kings Dyke is substantially complete, but final touches will include minor drainage works; resurfacing sections of footpaths; removing temporary barriers; planting trees and hedgerows; removing the works compound and reinstating site. Landscaping and aquatic planting at the appropriate time will add reeds and water plants to the lagoons and swales in Star Pit.

Following engagement through the NIC roundtable event that CPCA hosted in November subsequent discussions with Network Rail are focused on plans for an Eastern region rail summit to promote the case for EACE investment as a necessary platform for regional growth.

Cllr Anna Smith wrote to Rt Hon Mark Harper MP, Secretary of State for Transport, on 19 December 2022 to follow up on a letter the Mayor of Cambridgeshire and Peterborough Combined Authority, Dr Nik Johnson, sent to on 16 November 2022.

Cllr Smith outlined the current concerns whereby the Combined Authority has subsidised 18 of Stagecoach East's loss-making bus routes. She asked whether the Department for Transport would consider emergency funding for Local Authorities to maintain loss-making routes while developing and implementing bus improvement plans. As this is an issue across many areas we are trying to work with the Campaign for Better Transport, who are promoting the need for solutions at a national level.

2.9 Greater South East Net Zero Hub

The Greater South East Net Zero Hub hosted Katherine Wright, Deputy Director Public Sector and Local Energy, BEIS at Pathfinder House on 9 December 2022.

The meeting provided the Hub an opportunity to promote successful projects to BEIS, along with sharing delivery ambitions for the next year and what is needed from BEIS to support this.

Board should note the root and branch overhaul of the programme governance framework. This has led to a transformation in current performance and in recent discussions with BEIS there is reason for optimism concerning future programme expansion.

2.10 ARU Peterborough (ARU-P)

Town planning consent for the Phase 3 second teaching building incorporating the Living Lab was awarded in December 2022. The building is currently planned to cater to students studying mainly in STEM (science, technology, engineering and maths) fields and construction is planned to begin in spring 2023 and is scheduled to open in autumn 2024.

The building works at the Peterborough Research & Innovation Centre, which is located on the University Campus in Peterborough, is now largely complete and is due to be handed over in January 2023. Negotiations are underway with prospective tenants, and plans are being prepared for the fit out of the new building ready for occupation in 2023/24.

The delivery of these 3 new buildings and the establishment of the university teaching programme represents the intended phase 1 of the original 10-year programme. Informal discussion has begun to consider the potential and scope of the second period of 3-4 years. This needs to take stock of the changed environment, possible new opportunities for the UoP and riverside site development with a view to form a fresh plan and consideration of the roles and commitment from the partners.

2.11 Housing

From the affordable housing programme delivering 1,458 additional affordable housing units, 520 will be complete at end of Jan 2023, the balance are all under various stages of construction.

From the CPCA Housing loan book, consisting of 5 loans, 2 loans have been re-paid in full with interest, a third (being the scheme with East Cambridgeshire trading company delivering 54 houses at Haddenham) will be re-paid in full with interest by the end of January 23, 2 months ahead of the borrowers' contractual obligation. The remaining 2 loans (on schemes at MOD Ely and Histon Road Cambridge) are due for repayment in March 2023 and May 2023 respectively.

2.12 Public Affairs

Work is underway to establish an effective public affairs arm within the Combined Authority, and work within Workstream F of the Improvement programme is supporting through mapping the approach, capacity and arrangements needed.

Public affairs support is already being provided to internal departments and outputs are already being delivered.

While this work is in its infancy it has focused on conducting research and building working

relationships with stakeholders and influencers particularly concerning parliamentary connected activities. Further activity is planned shortly to develop the role of members of the Business Board in promoting the interests of the area more systematically.

The East of England All Party Parliamentary Group meetings are of particular interest. Our early work has involved feeding into their latest report to parliamentarians; *Levelling up the East of England 2023 to 2030: the East of England's progress towards achieving the Government's 12 levelling up missions*. It's a comprehensive 94 page report which analyses the East of England's level of confidence in achieving the Government's twelve levelling up missions, which were announced in a White Paper in February 2022 with targets set for 2030.

The Deputy Mayor, alongside Ministers, is scheduled deliver a short speech at the forthcoming parliamentary reception to consider the report organised by the APPG and EELGA.

CPCA staff also attended Transport East's Rail Roundtable in Houses of Parliament which brought together stakeholders and Parliamentarians to discuss key rail projects in the region, including East West rail, and the challenges and opportunities in delivery.

Lastly, evidence has been supplied to the Levelling Up, Housing and Communities Parliamentary Committee inquiry into Levelling-Up Funding. The inquiry is specifically considering the funds available for levelling-up and how effectively resources are directed to those areas most in need. It is an opportunity to promote changes in funding delivery which will benefit the CPCA area. Work has begun to supply evidence to other relevant Parliamentary Committee inquiries.

Significant Implications

3. Financial Implications

3.1 None

4. Legal Implications

4.1 None

5. Public Health Implications

5.1 None

6. Environmental and Climate Change Implications

6.1 Neutral

7. Other Significant Implications

7.1 None



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.2

Improvement Plan Update - December 2022

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	Wednesday 25 January 2023
Public report:	Yes
Lead Member:	Councillor Anna Smith, Statutory Deputy Mayor
From:	Angela Probert: Interim Director of Transformation Programme
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Note the progress against the Corporate Improvement Plan in December 2022.b) Note the outcome from the inaugural meeting of the Independent Improvement Board held on 17 January 2023.c) Note the proposals for a three-month assessment of progress against the key deliverables identified in the Chief Executive's assessment.
Voting arrangements:	For noting only. No vote required.

1. Purpose

- 1.1 The purpose of this report is to share with the Board an update on the progress made against identified actions set out in the Improvement Plan, during December 2022.
- 1.2 It also updates the Board on the arrangements for the inaugural meeting of the Independent Improvement Board (IIB) to be held on 17 January and the intention to update Board on the outcomes prior to its meeting on 25 January.
- 1.3 Finally, the report sets out the proposals to meet the commitment of the Chief Executive, in his report in October 2022 to carry out a three-month review of progress against the agreed outcomes from the Improvement journey.

2. Background

- 2.1 The Board will recall that it accepted the assessment of the organisation by the Chief Executive and agreed the Improvement Plan to address key issues raised at its meeting in October 2022.
- 2.2 The Improvement Plan set out six key themes:
 - a. Establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term and to chart the next steps on that journey. This needs to include defining the purpose and role of the CPCA and where the CPCA can add value.
 - b. Implement a comprehensive reset of ways of working and align the policy development and pre-Board processes to support this.
 - c. Prioritise work to establish a long-term strategy for transport, an urgent development of a bus strategy and review the role and functioning of the Business Board.
 - d. Undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking a more strategic approach to the application of funds for identified priorities.
 - e. Design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities.
 - f. Map the approach, capacity and arrangements needed to build effective public relations and influencing delivery operation.
- 2.3 The Improvement Plan report also set out the initial key deliverables - over a three-month period - and what might be different because of the comprehensive programme of activity being undertaken. Set out in paragraph 6 are the outcomes identified and how these will be reviewed.
- 2.4 The establishment of the Independent Improvement Board was also agreed, and this report provides an update on arrangements for the inaugural meeting on 17 January. An update on the outcomes from the meeting will be circulated to Board Members following the meeting and in advance of the Board meeting on 25 January.

3. Improvement Plan progress report December 2022

- 3.1 Attached as Appendix 1 is the highlight report for the overall programme and delivery against agreed outcomes for each theme for December. There are three items of note across all the workstreams.
- As work has progressed on individual themes the dependencies across the identified six themes of the Improvement Programme have become even more important and has resulted in the critical path being reviewed and associated change requests approved.
 - The appointment of an Engagement lead for the Improvement Programme. This is in recognition that for the identified improvements to be embedded in the organisation and across the CPCA, active engagement with partners and stakeholders is key as we move forward over the next 12 months. An Engagement strategy and schedule have been developed and future Board reports will provide detail on our communications and engagement work.
 - There is a recognition that, as we progress and deliver on activities set out in the Improvement Plan, we need to demonstrate progress against the initial 3 month tasks and key deliverables identified in the Chief Executive's assessment. The Board may recall a commitment in that report to assess progress at the end of three months against the agreed outcomes. This assessment will be conducted in February 2023 and reported to Board at the March meeting.
- 3.2 **Overall, the programme is RAG rated as Amber.** The individual workstream RAG ratings, key high-level achievements and deliverables across the programme in this period are set out below:
- 3.2.1 **Theme A - Establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term and to chart the next steps on that journey. This needs to include defining the purpose and role of the CPCA and where the CPCA can add value:**
- 3.2.2 Overall, this workstream is RAG rated as **Green**, reflecting that all actions are on track.
- 3.2.3 Following the completion of the mapping exercise to identify all existing Board approved strategies and agreed priorities, a draft Corporate Strategy has been prepared for consideration by the Board at this meeting.
- 3.2.4 Following engagement with the Mayor to outline the mayoral policy agenda, an Ambition Statement has been drafted and appended to the Corporate Strategy.
- 3.2.5 Output from the staff survey on values and behaviours fed into an all-staff workshop in early December. The workshop was well attended, and from its reflections we have drafted a set of core values for the organisation and included in the draft Corporate Strategy that have been tested with the Board and other key members.

- 3.2.6 The staffing structure for Office of Mayor has been agreed and recruitment undertaken in November and December.
- 3.2.7 The Executive Team senior structure has been agreed, descriptions finalised and recruitment has commenced for two Executive Director roles.
- 3.2.8 **Theme B - Implement a comprehensive reset of ways of working and align the policy development and pre-Board processes to support this:**
- 3.2.9 Overall, this workstream is RAG rated as **Amber** reflecting that whilst most actions are on track there is more work to be done on the wider partnership engagement elements. A revised timetable of 1 March 2023 has been proposed for this will allow the workstream RAG rating to be green.
- 3.2.10 Governance proposals received positive support at the Leaders Strategy Meeting, and agreed amendments to proposals are being presented to the Board in a separate report at this meeting.
- 3.2.11 We have progressed the development of new organisational values following the staff survey, pre-session activity and the all-staff workshop in December. The draft values have received positive feedback in sessions with CEOs, Board and other members and are contained with the draft corporate strategy presented to the CA Board in January.
- 3.2.12 We progressed the arrangements for the inaugural meeting of the Independent Improvement Board (IIB) on 17 January and agreed the agenda with the chair.
- 3.2.13 **Theme C - Prioritise work to establish a long-term strategy for transport, an urgent development of a bus strategy and review the role and functioning of the Business Board:**
- 3.2.14 The RAG rating continues to be **Amber**, due to uncertainty around Government's transport and connectivity guidance.
- 3.2.15 The workshop with Business Board and CA Board members to discuss the future role of the Business Board was held on 7 December. The major issue is to strengthen a business voice across the range of CPCA policy, promotion and delivery and this direction of travel was supported. Outputs from the workshop are being considered and will be consolidated into an Options Paper for consideration by the CA Board.
- 3.2.16 The Draft Bus Strategy is prepared and consultation begins week commencing 9 January 2023. The consultation will run for just over a month and at the end of this period, the Strategy will be amended considering relevant feedback.
- 3.2.17 The longer-term strategy for transport finds focus in the draft Local Transport and Connectivity Plan (LTCP). This has been drafted; however, we still await Government's revised guidance on such plan's preparation. At the time of writing this is now promised for the end of the calendar year (2022). Accordingly, the project has been reprofiled and sign off is now planned for June 2023.

- 3.2.18 This reprofiling is based upon us receiving the revised guidance by the year-end and changes to the draft strategy being proportionate.
- 3.2.19 **Theme D - Undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking a more strategic approach to the application of funds for identified priorities:**
- 3.2.20 The RAG rating for this workstream is **Amber**, as the current target completion date of 31 January will not be met, particularly in relation to the Bid Function. A Change Request has been submitted and once approved will allow this workstream to be RAG rated as green.
- 3.2.21 The drafting of the strategic review that has identified the funding streams is now complete and the workstream moves onto the need for modelling what a new Bid Function for the CA and its partners could look like. This needs to be an inclusive proposal that adds value to the bid functions of partner councils and potentially wider and there is a recognition that an additional specialist resource will be needed for this work.
- 3.2.22 A partnership workshop to consider current processes and options for a co-ordinated Bid Function takes place on 16 January. This will help the CA to understand best practice and begin to develop principles and processes behind the Bid Function.
- 3.2.23 **Theme E - Design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities:**
- 3.2.24 The RAG for this workstream is **Amber**, to reflect a revised timeline, the heavy reliance upon workstream A and the need to undertake extensive partner engagement.
- 3.2.25 As we have moved into this workstream, its key role in underpinning the CA's improvement journey has become more apparent, as has the need for this workstream to be completed in close partnership with the CA's constituent councils. Accordingly, and following discussion with the lead CEO, Paul Medd, we have refocussed and reprofiled the workstream.
- 3.2.26 This reprofiling places the development of a single Assurance Framework at the heart of the workstream. From this, once approved, a related Performance Management Framework that demonstrates how the CA assesses, prioritises, and manages projects will be developed.
- 3.2.27 The reprofiling recognises that much of this workstream will need to follow the agreement of a clear set of strategic priorities for the CA, an outcome in workstream A.
- 3.2.28 Once we have a clear understanding of the vital role that project and programme management will have in driving the authority's ambitions, work can commence on understanding what resources, both in a central PMO team and amongst the delivery partners are required and how the partners will work closely together to measure and drive delivery of the agreed strategic priorities.
- 3.2.29 **Theme F - Map the approach, capacity and arrangements needed to build effective public relations and influencing delivery operation.**

- 3.2.30 This workstream is RAG rated **Amber**, reflecting that whilst actions are in progress it is not believed that a draft Strategy for review will be ready by the due date. Instead it is agreed with the lead CEO that a revised date of 31 March 2023 is more appropriate. In addition, there have been capacity issues which have delayed the gap analysis work slightly. Any further delays will push back completion beyond the agreed date.
- 3.2.31 Work continues to identify and document best practice and the key elements, tasks and outputs associated with an effective Public Affairs (PA) and Communications and Engagement Function. This is being undertaken alongside a gap analysis methodology to understand the key skills, capacity and processes needed to achieve the identified outputs against the skills. The mitigating actions for both risks is for stated progress to be achieved against the Improvement Plan.
- 3.2.32 The findings of this gap analysis will now be reviewed and collated, and the project will begin to develop an outline Strategy and Action Plan so that we have the basis to enable the creation of a dynamic, robust, and effective PA, Communications and Engagement Function.

4. Key risks and dependencies

- 4.1 The External Auditor and DLUHC have set out clearly the expected focus for improvement. It is important therefore that the CA can demonstrate its commitment to improve and the progress it is making on this journey so more formal interventions are not put in place; the unfreezing of future funding is dependent on this.
- 4.2 There is a related risk that the constituent parts of the Improvement Plan may not lead to the outcomes required by DLUHC without the consequent organisational cultural change. Tracking this will be a focus of the Independent Improvement Board which meets for the first time in January.
- 4.3 The mitigating actions for both risks is for stated progress to be achieved against the Improvement Plan.
- 4.4 There is also a related programme wide risk, raised by CEOs that the proposed changes to senior management structures and personnel within CPCA could have the impact of slowing or altering the direction or consistency of the improvement journey. Ensuring a continued clarity of purpose and journey will be key to the success of the Improvement Plan.
- 4.5 Specific workstream risks and issues are set out in the highlight report attached. All risks and issues are both monitored and managed in accordance with CA policy and practice and significant issues reported appropriately. The key risks associated with each workstream are as follows:

Work-Stream A	Not reaching consensus on overarching vision. Mitigation: Ensure communication and engagement plan is in place.
Work-stream B	That the actions once completed do not sufficiently encourage or drive the cultural improvements required. Mitigation: will be the ownership of these by the Chief Executive's group and Board which will then flow down through the organisation(s). Also, the challenge of the IIB.

Work-stream C	There is a risk that the LTCP will not align with the Department for Transport's (DfT) final guidance and will therefore not be fit for purpose. Mitigation: reprofile the workstream and continue to monitor the release of DfT's final guidance along with any other key messages that are available from the DfT and other relevant partners/organisations.
Work-stream D	The income workstream has significant interdependencies and impacts with other workstreams. There is a risk that a lack of transparency and communication across the workstreams will negatively impact the efficacy of the outcomes related to income. Mitigation: Ensure continued and reliable communication between workstreams and wider CA and partners via effective Engagement Planning.
Work-stream E	There is a risk that due to the amount of consultation required, and dependencies involved, that the Performance Management Framework and Assurance Framework are not delivered to the agreed timescales. Mitigation: Reprofile the workstream.
Work-stream F	There is a risk that even with an effective Communications and Engagement Function, the outcome of performing a demonstrable role in advocacy for the region will not be met if the overarching strategy coming out of Workstream A is not fit for purpose i.e. the underlying key messages are not appealing/influential enough to support the function. Mitigation: Work closely with Workstream A representatives to ensure key messages can support an effective PA/Communications and Engagement Function. To support this and allow for the appropriate cross referencing the timeline for this workstream is proposed to be adjusted to March 2023

4.6 Also, to note:

4.6.1 Chief Executives from constituent authorities are now providing effective support and challenge to the improvement activity through active engagement as a group and as individual theme links, and their comments are included in the highlight report attached as Appendix 1.

4.6.2 The Local Government Association, the Department for Business, Energy, and Industrial Strategy, and the Department for Levelling Up, Housing and Communities continue to be updated on progress on a regular basis.

4.6.3 Briefings to staff on progress are undertaken on a weekly basis through verbal updates on specific themes at the weekly 'All staff meeting' where a particular workstream is reported upon by the Lead, and through the digital weekly newsletter 'Happenings'. A SharePoint site has also been developed for staff to provide regular updates on progress and a similar site is being developed for the Independent Improvement Board.

5. Independent Improvement Board (IIB)

5.1 Following the establishment of the Independent Improvement Board (IIB) Lord Kerslake continues to meet with key stakeholders in advance of the induction day in Peterborough on 17 January.

5.2 The arrangements for the induction have been finalised to deliver the outcomes set out below:

For IIB Board members to:

- Have built a relationship with their peers and CPCA Board members
- Understand the key challenges to be addressed

- Have worked through the input needed and how the IIB will operate
- Recognise and have shared (within the IIB) the contribution they can make
- Be clear on what will be different and how this will be recognised

For CPCA Board members to:

- Have met the IIB Board members and understand their purpose and way of working
- Have shared their insight and perspective
- Understand the focus for the IIB and how it will engage with the CPCA Board

5.3 Following the induction day on 17 January, a briefing will be shared with CPCA Board Members in advance of the meeting to be held on 25 January.

6. Three-month assessment of progress:

6.1 The Chief Executive's report to Board in October 2022 set out key areas of focus for the following three months arising from the self-assessment exercise. The report also set out what would feel different across the key dimensions as the comprehensive improvement plan was delivered. This narrative identified features and perceptions as set out below:

- A huge reduction in tension and frustration in Board, and in dynamics and focus.
- Members feeling time is spent on worthwhile debate and activity.
- Members and officers believing that the MCA can genuinely expect to secure greater investment and improved reputation.
- Individual Board members spend more of their time on informal discussions finding issues of agreement, speaking up for the needs of the region, and its priorities.
- Recognition that the Mayor has secured greater attention from ministers and influential stakeholders for the region's needs.
- An absence of political point scoring in Board noticed by all interested parties.
- That staff in CPCA and the local authorities view Board members as role models for good behaviour, collaboration and working towards consensus.
- CPCA staff recruitment and retention improves.
- A Devo Deal 2 looks possible, even likely.
- Staff expect to work in 'virtual teams' on policy development and programme delivery.
- The CPCA operation has matured, supports the Mayor and Board with a feel of 'one CPCA'.

6.3 The return on investment was also set out:

- Shift to a transitional arrangement of Board cycles, adjusted focus, more strategic content.
- A draft 'overarching strategy' document.
- A draft Medium Term Financial Strategy which reflects the overarching strategy.
- A worked-up transport strategy and bus strategy.
- Proposals for the next phase of development of the Business Board.
- Resolution to the current investigations.

And in the operation:

- A senior staffing structure and plan for recruitment.
- A period of stability in the workforce.
- Improved collaborative processes between CPCA and constituent authority officers.

- 6.4 It is proposed that an assessment of progress against the elements set out in paragraphs 6.2 and 6.3 will take place in February 2023. The structure for the review will be agreed with the Chair of the Independent Improvement Board.
- 6.5 It is envisaged that focus groups or meetings will be held with all key stakeholder groups set out below and evidence of progress provided where relevant:
- External Auditor
 - CPCA Board Members
 - Other relevant CPCA Committees including Overview and Scrutiny, Audit and Governance
 - Constituent authority Chief Executives
 - Business Board members
 - Department for Education
 - Department for Business, Energy and Industrial Strategy
 - Department for Levelling Up, Housing and Communities
- 6.6 The outcome of the assessment will be shared with the IB and reported to the CA Board in March 2023.
- 6.7 A staff survey is to be conducted in January 2023 to measure progress against the outcomes from staff survey in September 2022. The results of this survey will inform the assessment of progress as set out in paragraph 6.4.

7. Significant Implications

8. Financial Implications

- 8.1 The Board approved funding of up to £750k in July 2022 from the Programme Response Fund with delegated authority to the Interim CEO to support the scope, development and delivery of work relating to improvement activity. This budget is monitored by the Improvement Group at its monthly meetings and reported by exception to the Board as appropriate.

9. Legal Implications

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

10. Public Health Implications

- 10.1 None.

11. Environmental and Climate Change Implications

- 11.1 None

12. Other Significant Implications

12.1 None

13. Appendices

13.1 Appendix 1: Independent Improvement Board (IIB) Highlight report

14. Background Papers

14.1 [Interim Chief Executive's Diagnosis - Improvement Framework](#)

14.2 [Appendix 1 - Chief Executive's Assessment \(based on the self-assessment exercise\)](#)

14.3 [Appendix 2 - Outline Improvement Plan](#)

14.4 [Appendix 3 - Proposed terms of reference CPCA Improvement Board](#)

Programme Level Highlight Report

for the Period:

1st December 2022 to 23rd December 2022

Programme Governance

Chief Executive Overview

There has been considerable progress in the development of the overarching strategy for the region. The draft corporate plan is complete and being presented to the Board in January and other related strategies such as the Bus Strategy and LTCP are progressing. We can show the beginnings of delivering a collectively agreed and owned set of strategies for the region.

The establishment of clarity of purpose for the CA is also progressing well. For example, apart from the strategic framework above the golden thread that has been developed sets out the ambition, priorities and operating principles for the CA and further work will embed these and the values developed into everything we do. We have also made progress in setting a framework for working in this way at member level with a new committee structure and scheme of delegation to focus members on what matters. Alongside this we have an agreed senior management structure to drive the new ways of working and recruitment to Executive Director roles is underway.

Progress has been made in establishing a mayoral function that enables him/her to operate in a way that maximises the utility for the CA area with a new resourced mayoral office. Alongside this there has been close engagement with the mayor as we develop the Improvement Plan.

The focus of the Improvement Plan to date has been the structures of governance that will facilitate and encourage the new ways of working by the Board. However, change is already apparent, for example in the engagement with the Improvement Plan and the constructive discussions with the Business Board about how we can move forward together. The commencement of work by the Independent Improvement Board will accelerate this journey.

All the above leads us on the journey to become the effective and efficient organisation that we strive to be. The three-month review timetables for February will test this, not just with staff but with partners and stakeholders, and will guide the next steps of the journey.

Programme RAG Status

This Period:	AMBER
Last Period:	AMBER

Individual Workstream Status

Workstream	This Period	Last Period
A	G	G
B	A	A
C	A	A
D	A	A
E	A	A
F	A	G

Overview & Scrutiny

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

Independent Improvement Board

IIB (Independent Improvement Board) feedback will be inserted here once it has considered the Highlight Report

IIB is due to consider the Highlight Report on [DATE]

CPCA Board

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

Audit & Governance Committee

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

Workstream Highlight Reports

Workstream A

Project Description:

To establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term, to chart the next steps on that journey.

Project Outcomes:

A1 - A clear strategic plan for the CA is in place with deliverables to take CA from now until end of current Mayoral Term

A2 - Organisational operating values and principles are in place that inform the approach the CA takes to how it operates.

A3 - Insight and evidence are used to assess the state of the region and inform policy direction and priorities for the CA.

A4 - The strategic policy framework for the Combined Authority is re-established.

A5 - The mayor's operating arrangements and appropriate office support is in place and fit for purpose.

Workstream Sponsor:

Fliss Miller

Project Manager/s:

Chris Bolton

CEX Lead:

Robert Pollock

PMO (Programme Management Office) Support:

Thomas Farmer

Agreed Completion Date:

31/01/2023

Forecast Completion Date:

31/01/2023

Reporting Period:

01/12/2022 – 23/12/2022

Workstream A

This Period:

GREEN

Project Status

Previous Period:

GREEN

Workstream A - Project Update: December

Workstream flagged as green, 73% of the tasks completed.

Project Outcomes:

- Following the completion of the mapping exercise to identify all existing Board approved strategies and agreed priorities, a draft Corporate Strategy has been prepared for consideration by the Board on 25 January 2023.
- Following engagement with the mayor to outline the mayoral policy agenda an Ambition Strategy has been drafted and added to the Corporate Strategy
- Output from the staff survey on values and behaviours fed into an all-staff workshop in early December. The workshop was well attended, and from its reflections we have drafted a set of core values for the organisation and included in the draft Corporate Strategy that have been tested with the Board and other key members
- The staffing structure for office of Mayor has been agreed and recruitment commenced with the first post, a head of policy now filled.
- The Executive Team senior structure has been agreed, descriptions finalised and recruitment to the Executive Director roles is underway (closing date 6 January 2023).

Political (Ambition & Strategy)	88 days	Fri 30/09/22	Tue 31/01/23			73%
Clear strategic plan	88 days	Fri 30/09/22	Tue 31/01/23			96%
Develop overarching strategic plan for the CA to be presented to Board 25 January 2023 (paper to be	23 days	Fri 30/12/22	Tue 31/01/23	3,4,5,6	Gordon Mitchell	90%
Organisational operating values and principles	66 days	Fri 30/09/22	Fri 30/12/22			90%
Engagement with Board (via Leaders Strategy Meeting) to review values/principles and impact on operation moving forward – identify behaviours and ways of working expected to be visible as a result	21 days	Mon 03/10/22	Mon 31/10/22	9,10	Angela Probert	100%
Engagement with partners to review values/principles and impact on operation moving forward – identify behaviours and ways of working expected to be visible as a result	22 days	Tue 01/11/22	Wed 30/11/22	9,10,11	Angela Probert	100%
Agree values/ principles and associated impact statement (impact on engagement/ co-production/ future strategy development/ staffing behaviours etc)	22 days	Tue 01/11/22	Wed 30/11/22	9,10,11,12	Angela Probert	100%
Development of next steps for how values/principles will impact direction of CA (Organisational Transformation)	22 days	Thu 01/12/22	Fri 30/12/22	7	Angela Probert	50%
Assess the state of the region and inform policy	23.3 days	Wed 30/11/22	Mon 02/01/23			73%
Map the future requirement for evidence for policy making for the CA and support the establishment of lines of enquiry / evidence gathering to meet that	1 day	Thu 01/12/22	Fri 02/12/22	7	Chloe Rickard Mike Soper	90%
Work with partners to identify opportunities to cooperate on existing and new regional data and develop/ assess an ongoing evidence base.	1 day	Fri 30/12/22	Fri 30/12/22	12	Chloe Rickard Mike Soper	25%
Develop a plan to deliver a 'state of the region' assessment to inform strategy and vision direction (following on from the original independent economic	1 day	Fri 30/12/22	Fri 30/12/22	5	Chloe Rickard Mike Soper	75%

Workstream A: CEX Lead (Robert Pollock) Comments:

Workstream A is making satisfactory progress toward completing the actions as set out in the improvement plan:

The Corporate Strategy is on schedule to be approved at Board. Engagement with Leaders, and Constituent Authority CEOs has been supportive. Suggestions to strengthen the strategy have been welcomed and acted on. There is a recognition it is a transitional strategy and that insights from the improvement process and 'state of the region' review will need to be taken on board in future.

Through an all-staff workshop and engagement with Leaders, 5 values have been identified for the Combined Authority. This work continues. The bigger challenge will be making this real in practice through changes in behaviours and relationships.

Whilst the workstream will achieve many of its actions in January, focus must now be on how all the actions will be embedded and implemented in partnership with all constituent authorities.

Workstream A - Key Milestones/Activities this Period:

1	Further engagement at Leaders Strategy meeting 14 December.
2	Revised Corporate Strategy has been drafted and was reviewed at LSM.
3	Engagement session held on 15 th December introducing the Corporate Strategy to the Business Board, CPPSB and all CPCA Executive Committees.
4	Staff Values and Behaviours workshop took place 8 December.
5	Recruitment to Executive team and Chief Executive's Office (including support to the office of the mayor) complete.

Workstream A - Key Milestones/Activities Planned for Next Period:

1	Corporate Strategy report to be presented at the 25 January Board meeting.
2	Staff Values and Behaviours 8th December workshop outputs to be shared with organisation noting the dependency with Workstream E and Performance Management
3	Development of an implementation plan to take forward the actions completed within the Improvement Plan.

Workstream A - Project Issues:

	Issue Description	Mitigation
1	Workstream Resource – Interim Chief of staff is due to leave the CPCA on the 30/11/2022 and a	Chief of staff to prioritised development of the strategy during October and November to

	replacement will not be due to take up position until February 2023, which could mean that the strategy has no designated lead/author at what could be a critical time.	ensure full draft available by 30 November and her departure. Progress has continued and further mitigation is predicated upon the timely appointment of the new Chief of Staff meaning that there will be no significant loss in momentum of the workstream actions.
2	Leadership Resource - Mayor Dr Nik Johnson is due to take an extended period of sick leave until F Leadership Resource - Mayor Dr Nik Johnson is due to take an extended period of sick leave until February; the mayoral ambition will not be able to be represented by the mayor until after February.	Early sign-off from Dr Nik Johnson achieved prior to sick leave and full handover with Cllr Anna Smith completed to ensure continuity.
Workstream A - Project Risks:		
	Risk Description	Mitigation
1	Overarching Vision – Not reaching a consensus on the overarching vision impacting the ability of the organisation and suppliers to deliver against strategic objectives.	Ensure communication and engagement plan is in place. Ongoing work on a revised Corporate Strategy and plan will continue. The outputs of the staff survey will be included in a draft set of values which will be shared at an all-staff conference in December.
2	Strategy Gap - If there are gaps in the strategies identified then this could mean that a joined-up approach that reflects the 7 constituent councils of the CPCA may not be fully reflected.	Continued involvement and ongoing engagement with constituent councils at CEO level to ensure alignment is maximised.
Workstream A Report Completed By:		Chris Bolton
Completion Date:		21/12/2022

Workstream B

Project Description:

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

Project Outcomes:

B1 - The Board's ways of working have been reset to enable it to operate in effective and strategic manner.

B2 - Executive Committee ways of working are reset to enable them to operate in a more effective manner.

B3 - Transitional Committee Structure implemented.

B4 - Policy space for Board is developed and aligned to the policy development process.

B5 - Informal governance mechanisms are in place that reset ways of working with constituents and partners.

B6 - The culture and operation of the CA supports it as an effective, high performing organisation.

B7 - A revised senior leadership structure in place to provide the organisation with clear and effective strategic direction and capacity.

B8 - This will be reviewed and updated once the new governance structures and emerging partnership arrangements are in place

Workstream Sponsor:		Steve Cox
Project Manager/s:		Louisa Simpson
CEX Lead:		Matt Gladstone
PMO Support:		Heidi Quigley
Agreed Completion Date:		31/01/2023
Forecast Completion Date:		31/01/2023 (for all actions save B8)
Reporting Period:		01/12/2022 – 23/12/2022
Workstream B Project Status	This Period:	AMBER
	Previous Period:	AMBER

Workstream B - Project Update:

B1 – B5: There has been considerable progress made on the actions associated with B1 – B5 following a positive Leaders Strategy Meeting. The following amended governance arrangements were agreed to progress to final sign off at the Combined Authority Board in January 2023:

Governance Proposals:

- Combined Authority Board to become a Strategic body supported by Thematic Committees to drive delivery of objectives.
- Creation of Thematic Committees to 'get on and deliver.'
- Empowered Thematic Committees with appropriate delegations, therefore reducing burden of business at CA Board.
- Core Thematic Committee principles including wider Constituent Officer engagement.
- Informed pre-Board process including Constituent CEXs and forward planning at a reenvisioned LSM that will provide 'policy space' to allow strategic debate.

Lead Member Role:

- All Constituent Council Leaders are offered a Portfolio Lead Role appointed by the mayor that is in line with Constituent Council responsibilities.
- Principle of Lead Member chairing respective Thematic Committees (not the mayor).

Burden Sharing:

- Strategic Board and empowered Committees will support return to 8-week cycle for Board meetings.
- Board substitute Member to take wider CA role through support for Lead Member role (including support in chairing Committees).
- Wider burden sharing addressed through greater officer support and engagement through CEX Group and informal advisory officer groups.
- Wider Constituent Member membership of Committees.

Informal Governance:

- CA/Constituent Officer advisory groups to be further developed to change ways of working with CEX Group continuing to support Leaders. Other groups to be developed:
- Place Directors Group
- Directors of Finance Group
- Education Advisory Group
- Possible Transport Advisory Group

B6 - Values:

- Staff session held in early December to build on staff perceptions from staff survey and pre-session activity.
- Discussions with Board Members have taken place and informed the values to be presented to the CA Board on 25 January.

Next phase:

- Values to be shared with LSM in January on route to CA Board.
- Behaviours to be drafted in Jan to reflect positive and negative behaviours colleagues in CPCA will be held accountable for.
- People policies and processes to be amended to reflect values and behaviours to be agreed at CA Board on 25th January.
- Development activity to be commissioned for managers and CA Board members to embed future way of working.
- Performance management system to reflect expected values and behaviours and to be built into future objective setting, appraisals and 1-1s.

B7 – Leadership Structure:

- Adverts for key Senior Executive roles have been advertised.

B8 – Ext. Partner Engagement:

- No formal work has started on this.

There were some concerns within the Workstream in terms of the commitment of Members to an already agreed decision to change the way the Board works and to delegate decisions to committees. This has been tested at the December 2022 LSM and general agreement was found in terms of the changes to Governance structures. The support of the IIB will be key to continuing to drive this change and the progress to date is being shared with the IIB Chair.

Associated constitutional changes/amends will be taken to Audit & Governance Committee in January on route to Board.

Key interdependencies with Workstream B – **A1, A2, A4, C2, D1, E4, F1** – discussions underway.

Change Request to be submitted to amend the dates for delivery against the below outcomes:

B1 – 25 January 2023

B2 – 25 January 2023

B3 – 25 January 2023

B4 – Implementation as soon as possible following 25 Jan 2023 Board meeting

B5 – Implementation as soon as possible following 25 Jan 2023 Board meeting

B6 – 31 January 2023

B7 – Mid January 2023

B8 – 1 March 2023

These changes reflect the issues being had in terms of the required support from the IIB to implement some of the previously agreed changes, formal change requests will be submitted to the next Improvement Group Meeting.

Collaborative working across the CPCA partners is still not established, the informal arrangements being agreed as part of the governance review will establish new groups to support this but groups that are already in place must be mapped and used proactively by CPCA, this was highlighted with the recent CPCA Procurement Strategy that has been developed but consultation opportunities were missed in terms of the Regional Procurement Managers Group.

Workstream B: Workstream Lead (Steve Cox) Comments:

Substantial progress is being made on B1-B5 following LSM and the positive response received from Members. Similarly progress with B6 (values) with the staff session on 8 Dec, further engagement with Members and the update to all staff on 22 Dec. B7 is being progressed with recruitment underway for 2 ED roles. There is an engagement plan in place under B8 and the call has gone out to all workstream leads to make sure it is populated with planned events for communications support to be provided. While all in on track until the Board sign off the governance proposals on 25 Jan, I am content for this workstream to remain Amber.

Workstream B: CEX Lead (Matt Gladstone) Comments:

- Mayoral interface with constituent authorities
- LSM horizon scanning – central government policies
- Place based Directors & Finance groups
- How do we know we are making a difference – collective added value. An improved understanding of our performance and delivery of programmes currently in place leading into the Performance Management Framework work held by Workstream E

Workstream B - Key Milestones/Activities this Period:

1	Changes to Board delegation, committee structure and responsibilities agreed at Leaders Strategy Meeting on 14 December.
2	Timeframe for recruitment for Executive Team agreed.
3	Mapped progress of values & cultural changes with staff.
4	Sessions with Members w/c 12 December following Staff Workshop.
5	Continued meetings with Workstreams regarding interdependencies as noted above.

Workstream B - Key Milestones/Activities Planned for Next Period:

1	LSM consideration of draft Board Report on 11 January.
2	Audit & Governance Committee on 13 January.
3	Briefing Paper on Governance Arrangement Proposals to be sent to Executive Committee members early January.

4	Report setting out Governance Arrangements to be considered by CA Board on 25 January.	
5	Transition Plan for new Ways of Board Working to be developed.	
6	Mapping of existing regional groups to take place & CPCA membership where appropriate added.	
7	Embedding the values work completed before Christmas to be actioned – meeting to be arranged with HR (Human Resources), Workstream Lead, Comms Team to ensure plan established	
Workstream B - Project Issues:		
	Issue Description	Mitigation
Workstream B - Project Risks:		
	Risk Description	Mitigation
1	Governance Framework not agreed.	Engagement with all parties sighted in the EY audit in agreeing the steps to improve the functioning of partners with the CPCA.
2	Values and Cultural changes are not agreed.	Engagement with staff in the development of the Improvement Plan actions, vision and behaviours. Consultation with staff on the implementation of values and behaviours within the CPCA and into wider partners.
3	Way of Working remains unchanged despite completion of workstream actions	Develop shared values with partners. Engage staff internally in workshop. Develop a golden thread linked to the values & behaviours.
4	Resourcing capacity affected by absence.	Monitor workloads of key staff leading the workstreams. Offer additional resource/back fill where necessary.
5	Member commitment to agreed principles of change wavers.	Discussion with IIB Chair to get support of the Board to holding members accountable.
Workstream B Report Completed By:		Louisa Simpson & Steve Cox
Completion Date:		22/12/2022

Workstream C

Project Description:

To prioritise work to establish a long-term strategy for transport, buses and review the role and functioning of the Business Board.

Project Outcomes:

C1 - A long-term strategy for Transport and Buses is in place that meets the growth needs of the CPCA area.

C2 - The role and function of the Business Board is fit for purpose in line with Government recommendations.

Workstream Sponsor:	Steve Clarke
Project Manager/s:	Peter Tonks
CEX Lead:	Jo Lancaster
PMO Support:	Heidi Quigley
Agreed Completion Date:	31/01/2023
Forecast Completion Date:	23/06/23* *Other elements of the Workstream will be completed before this date. The LTCP (Local Transport and Connectivity Plan) will not be complete until June 2023.

Reporting Period:	01/12/2022 – 23/12/2022				
Workstream C Project Status	<table> <tr> <td>This Period:</td><td>AMBER</td></tr> <tr> <td>Previous Period:</td><td>AMBER</td></tr> </table>	This Period:	AMBER	Previous Period:	AMBER
This Period:	AMBER				
Previous Period:	AMBER				

Workstream C - Project Update:

LTCP

The Transport and Connectivity Plan elements of the Workstream Project have now been replanned to take account of the delay to the release of the DfT (Department for Transport) Guidance as outlined in the previous Highlight Report and Change Request. The guidance is due to be released by the end of 2022 which pushes the completion date for this part of the Project to June 2023. It is worth noting that at the time of writing (20/12/2022) guidance has still not been released.

Key Milestones for this element of the Project are as follows:

Task Description	Dates
Redraft following DfT Guidance Release	Jan/Feb 2023
Drafts to LSM and TIC (Transport and Infrastructure Committee)	March 2023
Amendments to Draft following LSM/TIC	April/May 2023*
Sign Off and Publish	June 2023

*Incorporates Pre-Election Period

Bus Strategy

The Draft Bus Strategy is almost ready to go out to consultation and this is currently planned for w/c 9 January 2023. The consultation will run for just over a month and at the end of this period the Strategy will be amended considering relevant feedback. It will then be ready for sign-off and publication in March. Full release of the Strategy (as part of the LTCP) will be subject to the

timescales for the LTCP outlined above, which as per Issue 1 below is itself subject to the release of guidance from the Department for Transport (DfT).

Transport Schemes Review

This element of the Project is split into two phases. Phase One, which considers current and approved Transport schemes is complete and these are now listed under a Single Project Register. Phase Two has a wider scope to review **all** schemes (i.e., approved, part-completed, delayed, potential etc.) and to consider an approach to prioritising these schemes and ensuring that roles and responsibilities across the CA and its delivery partners are clearly defined.

To avoid scope creep, clarity is sought around the deliverables/outputs that are expected for this Review. This follows discussion about the prioritisation of schemes during/following the Review and whether this was the responsibility of the Workstream Project Team. It is felt that the Workstream should provide a *Framework against which schemes could be assessed/prioritised* but that it should not be the Workstream's responsibility to prioritise the transport schemes.

Future of the Business Board

The planned Workshop held by Metro Dynamics took place on 07/12/2022 with Business Board and CA Board to consider the future role of the Business Board. The outputs from the workshop are being considered and will be consolidated into an Options Paper for consideration by the CA Board in January (timescales/meeting plans permitting).

The Project status remains at Amber as the current target completion date of 31/01/2023 will not be met. A Change Request has previously been submitted to address this and once approved the RAG rating may return to Green but is still dependent on the release of DfT guidance.

Workstream C: CEX Lead (Jo Lancaster) Comments:

There should be time to review the Business Board Options Paper that will be produced by Metro Dynamics by senior officers and project staff. This is so we can be assured that the work meets the brief but also so that we can carefully consider the impact on the broader CA, its improvement agenda and governance reviews, and consider fully the next steps to make sure that the foundations for the implementation/transition phase are clearly defined when Board are asked to consider the proposals.

Local Planning Authorities are concerned about the delay to the release of the LTCP and how this will impact their Local Transport Plans. Although it is understood that this is out of the control of the CPCA as we await guidance from the DfT, we should maintain ongoing contact with local transport representatives and colleagues to consistently communicate, reassure, collaborate, and understand the consequences of the continued delay.

Although release of guidance from the DfT is due imminently, this should be closely monitored as part of these ongoing monthly discussions to ensure that we can appropriately address and mitigate any further delays from the DfT.

Workstream C - Key Milestones/Activities this Period:

1	LTCP elements of Project now replanned
2	Bus Strategy ready for Consultation
3	Metro Dynamics Workshop with Business Board and Combined Authority Board Members

Workstream C - Key Milestones/Activities Planned for Next Period:		
1	Review DfT Guidance and Begin Redraft of LTCP	
2	Bus Strategy out to Consultation	
3	Business Board Options Paper Development and Presentation via Workshop	
4	Draft Final Recommendations Re-Business Board	
Workstream C - Project Issues:		
	Issue Description	Mitigation
1	The final LTCP will not be ready for approval by the agreed Workstream completion date due to delayed release of DfT Guidance	The LTCP has been drafted considering emerging strategies and policies from the DfT so it is highly likely that the Local Plan will mostly satisfy the requirements of the guidance once released. It should therefore require minimal amendment which in turn should reduce the potential for further delay. Also, continue to monitor DfT website and updates etc. For guidance release. A Change Request has been raised to push the completion date back to June 2023.
Workstream C - Project Risks:		
	Risk Description	Mitigation
1	There is a risk of scope creep regarding the outputs required for the Transport Review element of the Project. This is related to prioritisation of schemes and whether this is the responsibility of the Workstream to prioritise or simply provide a framework against which schemes can be assessed/prioritised.	Seek clarity on the expected deliverables for this element of the workstream.
2	There is a risk that there is not enough staff capacity to achieve the desired outcomes by the agreed dates. This is particularly acute for the Transport elements. For instance, Phase Two of the Transport Schemes Review, although to be undertaken by the CA's Auditors (RSM) cannot commence until February due to capacity issues. Additionally, delays to the DfT guidance release, impacts other planned work for staff within the CA Transport Team.	Continually monitor plans and progress from RSM via the CAs Transport Consultant. Review the amount of effort required to redraft the LTCP once the DfT guidance has been released and seek additional resource if needed.
Workstream C Report Completed By:		P Tonks, S Clarke, J Lancaster
Completion Date:		05/01/2023

Workstream D

Project Description:

To undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking more control of the application of funds for identified priorities

Project Outcomes:

D1 - The CA has identified sustainable income options and has the capacity and capability to proactively develop effective cases for future funding.

Workstream Sponsor:		Robert Emery
Project Manager/s:		Peter Tonks
CEX Lead:		Liz Watts
PMO Support:		Heidi Quigley
Agreed Completion Date:		31/01/2023
Forecast Completion Date:		31/03/2023
Reporting Period:		01/12/2022 – 23/12/2022
Workstream D Project Status	This Period:	AMBER
	Previous Period:	AMBER

Workstream D - Project Update:

A first draft of the strategic review and options is currently being considered by the Project Team and Financial Management Team. Before the Review and Options can be completed, there are some outstanding queries and actions that are required to be finished first, including the options around a Bid Function/Bid Management and decisions related to interdependent Workstreams (see Risk 3 below).

A workshop to consider current processes and options for a co-ordinated bid function has been arranged for 16/01/2023. This will help the CA to understand best practice and begin to develop principles and processes behind the bid function. All Constituent Councils have confirmed attendance. The workshop will also include representatives from other workstreams to address some of the issues raised around interdependencies and to build valuable relationships moving forward.

The Project status remains at Amber as the current target completion date of 31/01/2023 will not be met particularly in relation to the Bid Function. A Change Request has previously been submitted to address this and once approved the RAG rating can return to Green.

Workstream D: CEX Lead (Liz Watts) Comments:

It would be useful to share the Draft Strategic Review and Options Paper with CEXs to ensure they are fully sighted on this.

In terms of the Bid Workshop, all councils are now planning to attend, and this should provide a good basis upon which to build an effective bid function. However, we should not over-engineer this. Solutions should be streamlined and focussed to address the issues that come out of the workshop. Key outcomes or deliverables for the workshop could be; 1) A dynamic list of approved 'pipeline projects' so that we are able to react quickly when/if unexpected funding becomes available; 2) A central bid writing function that is able to provide experience to Constituent Councils

who do not have this capacity or expertise; 3) A set of parameters or memorandum of understanding that clearly outlines any procedures to be followed and under what circumstances the bid writing function might become involved, and this may differ between organisations. Specific solutions and outputs will be driven by the workshop.

Workstream D - Key Milestones/Activities this Period:

1	First Draft of Strategic Review Document
2	Research and Consideration of Bid Function/Coordinator Role
3	Workshop arranged for mid-January with appropriate representatives from Constituent Councils (nominated by Chief Execs) to understand best practice and begin to develop principles and processes behind the bid function.

Workstream D - Key Milestones/Activities Planned for Next Period:

1	Continued review, challenge, and feedback on draft Strategic Review Document
2	Completion of Strategic Review
3	Bid Function Workshop to be prepared and held
4	Agree funding (and funding sources) required for the Bid Function (Co-Ordination Role) and ensure included in relevant budget(s) where possible
5	Review of Workshop Outcomes – Begin to build action plan for Bid Function

Workstream D - Project Issues:

	Issue Description	Mitigation
1	Work on the bid function element has not yet started and could take up to 3 months to complete, meaning we will not meet the agreed project completion date.	Identify and prioritise key tasks that will allow the 'as-is' analysis work to begin first to gain an understanding of what we currently have across the CA and Constituent Councils allowing us to identify requirements as a minimum viable product. A Change Request has been raised to push the completion date back to March 2023.

Workstream D - Project Risks:

	Risk Description	Mitigation
1	Greater clarity is needed regarding the dependencies between workstreams. Although initial critical path work was useful it is felt that more detail is required.	The Critical Path is due to be reviewed by the Programme Manager and Governance to simplify. The new process for Highlight Reporting should also give a more holistic view of the wider programme and progress in other workstreams.
2	There is a risk that Constituent Councils may not be accepting of the review of the bid function if its conclusions are a 'Centralised/Coordinated Bid Function'. It may be seen as a threat to autonomy/income streams.	The Analysis piece of work that is central to this part of the project must be undertaken professionally and tactfully. All stakeholders must be identified so that they can be engaged effectively and provide valuable input. Representatives from all Constituent Councils have been invited to an initial 'Discovery' Workshop to be held on 16/01/2023

3	There is a risk that the Strategic Review Document cannot be finalised until key priorities for the CA have been agreed and confirmed as part of other Workstreams (particularly A and C).	The new process for Highlight Reporting should give a more holistic view of the wider programme and progress in other workstreams. Also, the bid function should allow for a more dynamic process meaning that as priorities become apparent there can be a more targeted approach to securing funding. Additionally, the Initial 'Discovery' Workshop to be held on 16/01/2023 will be attended by representatives from some of the other Workstreams.
Workstream D Report Completed By:		<i>P Tonks, R Emery, L Watts</i>
Completion Date:		<i>04/01/2023</i>

Workstream E

Project Description:

To design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities.

Project Outcomes:

E1 - The PMO has refreshed Terms of Reference for the Programme Management Office (PMO) including a resource plan that matches its enhanced role in the organisation

E2 - A robust and effective performance management framework is in place

E3 - The organisation has a comprehensive Risk management process embedded in the corporate governance framework.

E4 - Corporate Project Management regime and culture embedded across the CA.

E5 - Soft market testing exercise to be undertaken with regards to the procurement of bespoke project management software to allow access to performance information to be improved.

Workstream Sponsor:		Jodie Townsend
Project Manager/s:		Nathan Bunting
CEX Lead:		Paul Medd
PMO Support:		Thomas Farmer
Agreed Completion Date:		31/01/2023
Forecast Completion Date:		31/01/2023
Reporting Period:		01/12/2022 – 23/12/2022
Workstream E Project Status	This Period:	AMBER
	Previous Period:	AMBER

Workstream E - Project Update:

A meeting between the Project Lead, CEX Lead, and the Improvement Project Programme Manager led to agreement that there should be a reprofiling and restructuring of the activities in workstream E. The development of work in other workstreams, particularly workstream A and B, have identified additional focus that can be applied to workstream E as well as a need to reorder existing workstream E outcomes.

The proposed reprofiling aims to consider the need for a refreshed Assurance, Performance and Risk Framework (3 separate frameworks) and associated content, lifecycle etc in line with the new organisational values and operating principles of the CA (developed in workstream A), prior to understanding the corporate requirements within the Programme Office.

A proposed restructure has been drafted as part of a [change request](#) and is subject to approval by the Improvement Group on 03 January. Therefore, the workstream remains amber, but if approved may move to green next month.

Risk Management training plan has been agreed with our auditors, and we remain on target to resolve audit actions by early next year. An Orange Book Risk Management Framework

structure has been drafted and our auditors will be taking this project forward and developing the finished product.

A scoping document for the Performance Management Framework has been developed, this needs to be agreed internally prior to allocating chapters to different areas of the organisation.

Project Software IT specialist has been chosen and specification is in draft - ready to go to procurement in late January.

Paper detailing new SharePoint / Teams Site was agreed at PARC, next steps are for the IT specialists to be procured in January, followed by consultation with areas via champions, training, data transfer and then go live in May 23.

PARC papers on the Programme Office plan for corporate accreditation and for capturing and embedding lessons learned have been drafted ready for January PARC.

Workstream E: CEX Lead (Paul Medd) Comments:

A meeting was held with Paul Medd on 9/12 to update on progress. Paul signalled he was content with progress and noted and supported the need for a reprofile of the workstream.

Workstream E - Key Milestones/Activities this Period:

1	Scoping document for Performance Framework complete
2	Risk Management Strategy first draft complete and being reviewed by auditors
3	Risk management training plan complete and agreed with auditors
4	IT specialists appointed for project software and new SharePoint structure - specification in progress.
5	

Workstream E - Key Milestones/Activities Planned for Next Period:

1	Corporate accreditation and lessons learned papers taken to PARC
2	Project software and SharePoint structure specifications finalised, and procurement begins
3	Performance Framework scoping document agreed internally, and chapter action owners allocated.
4	Risk Management Framework progress continuing with auditors
5	Work on Assurance Framework and identifying areas for revision begins

Workstream E - Project Issues:

	Issue Description	Mitigation
1	Project delays beyond original timescale	Change request has been

		produced, and have re-baselined the dates
2	Structure of workstream not currently fit for purpose	As above
Workstream E - Project Risks:		
	Risk Description	Mitigation
1	Timing risk Performance Framework	Work through programme plan, meetings schedular and critical path to find a way of delivering at the best pace
2	Performance and Assurance Framework dependencies leading to delays. Dependencies with: <ul style="list-style-type: none"> - Investment Committee proposal - workstream D future funding approach to bids - Workstream B Governance Framework - Workstream A specific strategic fit criteria 	Monitor progress on other workstreams and feed in early work to a draft Performance and Assurance Framework
3	Funding not available for strengthened corporate mandate for PMO	PMO having discussions with finance and aligned to the budget timescales
Workstream E Report Completed By:		
		<i>Nathan Bunting, Jodie Townsend</i>
Completion Date:		5/1/23

Workstream F

Project Description:

To map the approach, capacity and arrangements needed to build an effective public relations and influencing delivery operation.

Project Outcomes:

F1 - The Combined Authority performs a demonstrable role in advocacy for the region.

Workstream Sponsor:

Jon Alsop

Project Manager/s:

Peter Tonks

CEX Lead:

Stephen Moir

PMO Support:

Heidi Quigley

Agreed Completion Date:

31/01/2023

Forecast Completion Date:

31/03/2023

Reporting Period:

01/12/2022 – 23/12/2022

Workstream F
This Period:

AMBER

Project Status
Previous Period:

GREEN

Workstream F - Project Update:

Work continues to identify and document best practice and the key elements, tasks and outputs associated with an effective Public Affairs (PA) and Communications and Engagement (C&E) Function. This is being undertaken alongside a structured gap analysis methodology to understand the key skills, capacity and processes needed to achieve the identified outputs against the skills, capacity and processes that already exist/are available to the CA.

From January the findings of this gap analysis will be reviewed and collated, and the Project will begin to develop an Outline PA/C&E Strategy and Action Plan so that we have the basis to enable the creation of a dynamic, robust, and effective PA/C&E function.

The project status is now considered to be Amber. The workstream is currently on track to deliver the gap analysis that will inform the Strategy and Plan by the agreed completion date. However, the dependencies with other workstreams (particularly Workstream A - the approval of the Corporate Plan being considered at Board in January) mean that a delay is inevitable, and it is now considered that a draft Strategy and Plan prepared consideration by the Combined Authority Chief Executives' will not be complete until the end of March 2023.

In terms of mitigating the impact of this delay, some operational work has already been undertaken within the Communications Team and progress is already underway to address some of the gaps identified, including staff recruitment to fill identified skillset gaps and the procurement of Public Affairs/Stakeholder Management Software.

The CEX Lead has considered and endorsed the revised timeline and a change request will be prepared for approval.

Workstream F: CEX Lead (Stephen Moir) Comments:

Having scrutinised the detailed work undertaken on the gap analysis; I am reassured that progress has been made with this workstream.

The revised completion date reflects the interdependency with other workstreams and therefore the adjusted to the RAG rating is appropriate.

I have recommended to the CA Workstream Sponsor that the gap analysis and associated work is shared more widely with the constituent Chief Executives,' once completed, and have advised that as part of the gap analysis, the exemplars and functions of best practice should be evidenced more clearly.

Workstream F - Key Milestones/Activities this Period:

1	PA capacity, skills, and processes 60% mapped
2	Communications and Engagement (C&E) capacity, skills, and processes 30% mapped

Workstream F - Key Milestones/Activities Planned for Next Period:

1	Undertake Gap Analysis
2	Develop Outline Strategy
3	First Draft Action Plan
4	Engagement Sessions with Stakeholders to be Organised/Held

Workstream F - Project Issues: None

	Issue Description	Mitigation
1		
2		
3		

Workstream F - Project Risks:

	Risk Description	Mitigation
1	There is a risk that even with an effective PA/C&E Function, the outcome of performing a demonstrable role in advocacy for the Region will not be met if the overarching strategy coming out of Workstream A does not align or is not appealing/influential enough to support the PA/C&E Function.	Work closely with Workstream A representatives to ensure key messages can support an effective PA/C&E Function.
2	There is a risk that current and future Central Government drivers for investment will be misinterpreted, misunderstood, or simply missed if the PA/C&E Function is not embedded within the Bid Process/Function.	Ensure these elements are incorporated into the PA/C&E Function to monitor potential new funding streams and drivers. Make use of monitoring software and links that are available. Ensure links to Workstream D are properly utilised, particularly aligning the PA/C&E Function to a potential 'Bidding Function'.
3	There is a risk that inconsistent messages being delivered by different Constituent Councils, CA Board and the Mayoral Office will result in mixed messages being	Ensure that the PA/C&E Function clearly defines what messages and therefore influence is appropriate for scenarios i.e., define when a CPCA led message/brief is

	portrayed. This will undermine the effectiveness of the PA/C&E Strategy/Plan.	appropriate and when a LA led message/brief is appropriate.
4	There is a risk that Constituent Authorities and Business Partners will not make best use of a PA/C&E function and will not portray the CA as a unified and committed entity, this will also impact upon the CAs Leadership role.	Ensure that relevant agencies and partners are included in Project Communications so that awareness and use of the PA/C&E Function is addressed from the outset. Ensure clearly defined processes are embedded throughout to monitor and control the flow of information inwards and outwards. Engage with CEXs from Constituent Councils to ensure these processes are embedded and an efficient and consistent information exchange between the CA and Constituent Councils.
5	There is a slight delay to the initial gap analysis due to staff sickness. Any further delays (e.g., further/new staff capacity issues) will mean that the Outline Strategy and Action Plan will not be completed in time to meet the current project deadline.	Monitor closely and if work on gap analysis does not progress accordingly then raise CR for date change.
Workstream F Report Completed By:		<i>P Tonks, J Alsop, S Moir</i>
Completion Date:		<i>06/01/2023</i>



Governance Arrangements

To: CPCA Board

Meeting Date: 25 January 2023

Public report: Yes

Lead Member: Deputy Mayor Councillor Anna Smith

From: Jodie Townsend
Governance Improvement Lead

Key decision: No

Forward Plan ref: N/A

Recommendations: CPCA Board is recommended to:

- a) Approve Combined Authority Board functions and responsibilities set out in Appendix A
- b) Approve delegations to Thematic Committees set out in 3.3.2 and 3.3.3 of this report
- c) Approve the meetings Calendar set out in Appendix B
- d) Approve changes to Thematic Committees set out in 3.7.1 to 3.7.4 of this report
- e) Approve Thematic Committee terms of reference set out in Appendices C to F
- f) Approve Lead Member role profile in Appendix G
- g) Note improvement actions set out in this report

Voting arrangements: A simple majority of all Members present and voting.

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

1. Purpose

- 1.1 The review of governance provided conclusions and recommendations designed to reshape the governance framework at the Combined Authority. The Improvement Plan that followed and which was endorsed by Board on 19 October 2022 incorporates and builds upon the majority of those recommendations.
- 1.2 This report sets out proposed changes to governance arrangements at the Combined Authority in line with the recommendations within the review of governance and the actions within the Improvement Plan.
- 1.3 The proposed changes are part of improvement actions to bring alignment between the Corporate Plan, Medium Term Financial Plan and supporting governance arrangements.

2. Background

- 2.1 In response to the review of governance and concerns raised by the external auditors, the Improvement Plan endorsed by Board in October 2022 contains a number of governance arrangement improvement requirements. These are set out in Workstream B of the Improvement Plan.
- 2.2 These improvement outcomes have a clear interdependency with Workstream A of the Improvement Plan, particularly developing a Strategic Corporate Plan (with deliverables) to take the Combined Authority to the end of current Mayoral Term alongside identified Mayoral ambitions.
- 2.3 The Governance Framework must reflect the Strategic Framework in that it should provide the platform for effective decision-making, strategy development, implementation and appropriate monitoring in line with the Strategic Objectives of the Combined Authority. A key driver for proposals has been aligning Corporate Plan responsibilities within the Committee structure.
- 2.4 The key background to this paper can be found in the Review of Governance and the Improvement Plan, links to both are included in section 13 of this report.

3. Proposed Governance Arrangements

- 3.1 The following proposed governance arrangements aim to deliver a clear focus on the Corporate Plan, provide clarity on roles and responsibilities, respond to key drivers above and deliver Improvement Plan outcomes. The proposals set out a committee structure with key functions within that structure at Board and supporting Committees.
- 3.2 The proposed governance arrangements are set out under each appropriate Improvement Plan outcome that they will contribute to achieving.

Improvement Outcome B1: The Board's ways of working have been reset to enable it to operate in an effective and strategic manner

- 3.3 The following proposed governance arrangements are made in support of delivering Improvement Outcome B1:
 - 3.3.1 Enhanced terms of reference for the Board set out in [Appendix A](#) be adopted
 - 3.3.2 Board delegates ability to Thematic Committees to implement strategy approved by Board, taking operational decisions within Policy & Budget Framework

- 3.3.3 Board delegates to Thematic Committees approval of items included within an approved Medium Term Financial Plan to be drawn down by the relevant Thematic Committee at the appropriate time, this creates delegation for Thematic Committees to move project budget (as identified in MTFP) from 'subject to approval' to 'approved' *(to note as a result no longer need for summary paper from Committee to Board)*
- 3.3.4 Clarity that Board has the ability to call for clarification any decision taken under delegation set out in 3.3.2 and 3.3.3 if any Board Member has concerns regarding the cost, reputational risk and/or politically contentious nature of decision(s) taken by a Thematic Committee, in line with the process and grounds set out in the constitution and subject to the statutory powers of the Overview & Scrutiny Committee.
- 3.3.5 Meeting Calendar as set out in Appendix B for 2022/23 be adopted, sequencing changed following engagement with Members so that Board is at the end of cycle.
- 3.4 For clarification 3.3.3 delegates authority to Thematic Committees to agree the approval of projects that have been identified within the MTFP and are therefore in compliance with the Corporate Plan.
- 3.5 In regards to 3.3.4, this should not be confused with the statutory power of call-in that sits with the Overview and Scrutiny function. The intention here is to provide the Board with an opportunity to intervene in exceptional circumstances by adding an item to a Board agenda for clarification and discussion.
- 3.6 In support of Improvement Outcome B1 the following actions will be implemented at the earliest opportunity:
- ☐ New 'Member Friendly' Board report template and report writing training for report authors
 - ☐ Implementation of a 6 month Forward Plan that reflects Corporate Plan
 - ☐ Adjusted Board and Committee cycle with longer feed into pre-meeting process
 - ☐ Board to move to a 6-8 week cycle
 - ☐ Member Development Programme proposal developed for LSM consideration
 - ☐ Mayor is supported by CPCA Officers in utilising tool of Mayoral Advisory Groups as appropriate in support of developing Mayoral ambitions

Improvement Outcome B2: Executive Committee ways of working are reset to enable them to operate in a more effective manner

- 3.7 The following proposed governance arrangements are made in support of delivering Improvement Outcome B2:
- 3.7.1 Housing & Communities Thematic Committee be replaced by a Environment & Sustainable Communities Thematic Committee
- 3.7.2 Board delegates oversight of the Greater South East Net Zero Hub and the Sustainable Warmth Programme to the Environment & Sustainable Communities Committee
- 3.7.3 Quorum for Thematic Committees be amended from 5 to 4
- 3.7.4 Thematic Committees be chaired by relevant CPCA Lead Member(s)
- 3.7.5 Terms of Reference for Environment & Sustainable Communities Committee set out in Appendix C be approved
- 3.7.6 Terms of Reference for Skills & Employment Committee set out in Appendix D be approved
- 3.7.7 Terms of Reference for Transport & Infrastructure Committee set out in Appendix E be approved

3.7.8 Employment Committee to be renamed Human Resources Committee and terms of reference set out in Appendix F be approved (*note proposed change to membership*)

3.7.9 Thematic Committees are supported by a senior lead officer within the CPCA

3.8 In support of Improvement Outcome B2 the following actions will be implemented at the earliest opportunity:

- ☐ Minutes of Thematic Committee meetings will be included in the Agenda Pack for CPCA Board meetings for noting to ensure wider Board awareness of Thematic Committee activity and an opportunity to debate activity if required
- ☐ Business Board representative to be appointed by the Business Board as a non-voting member for each Thematic Committee (with exception of Human Resources Committee)

Improvement Outcome B3: Transitional Committee Structure implemented

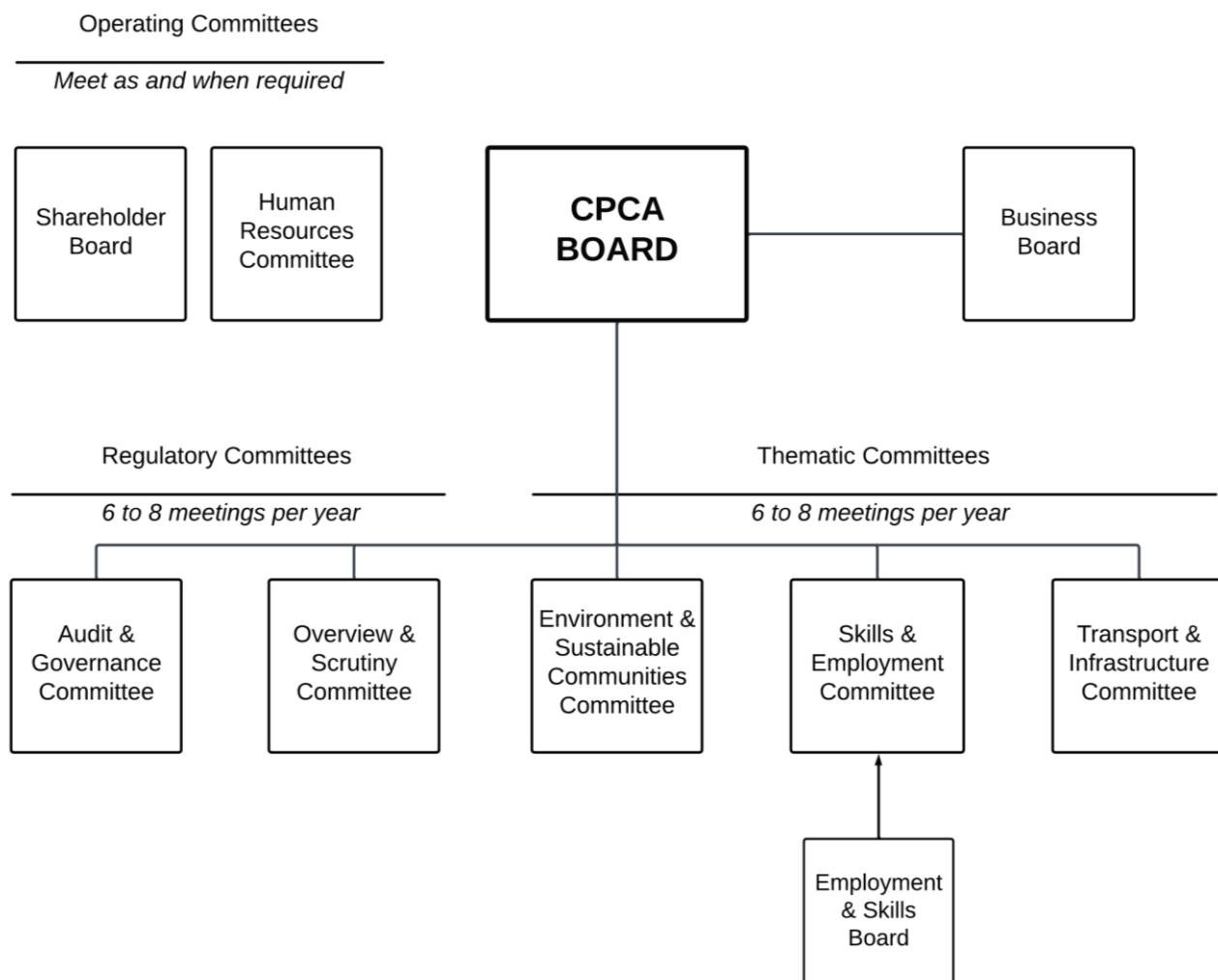
3.9 The following proposed governance arrangements are made in support of delivering Improvement Outcome B3:

3.9.1 Principle that all Constituent Council Leaders are offered a Portfolio Lead Role appointed by Mayor that is in line with Constituent Council responsibilities

3.9.2 Agreement that each Constituent Council substitute appointment to Board play a lead supporting role for their Leader in delivering their Board and Lead Member responsibilities, this would include chairing of Thematic Committees

3.9.3 Approval of role profile set out in Appendix G for CPCA Lead Members

3.9.4 The Committee structure for the Combined Authority until the Annual General Meeting of the CPCA in June 2025 be as follows (*please note the location within the diagram of the Business Board aims not to prejudice the outcome of work on future role & responsibilities of the Business Board*):



Improvement Outcome B4: Policy space for Board is developed and aligned to the policy development process

3.10 The following proposed governance arrangements are made in support of delivering Improvement Outcome B4:

3.10.1 Leaders Strategy Meeting terms of reference as set out in [Appendix H](#) be approved

Improvement Outcome B5: Informal governance mechanisms are in place that reset ways of working with constituents and partners

3.11 The following informal governance arrangements will be developed in support of delivering Improvement Outcome B5:

- Informal Advisory Groups consisting of lead Constituent Council officers and CPCA Officers be set up in support of Thematic Committees as follows:
 - Place Advisory Group (consisting of Constituent Council Directors of Place)
 - Finance Advisory Group (consisting of Directors of Finance)
 - Education Advisory Group (consisting of Directors of Education and Regional Schools Commissioner)
 - Transport Advisory Group (consisting of Greater Cambridge Partnership, Directors of Transport and key Transport Partners)
 - Legal Advisory Group (consisting of Constituent Council Directors of legal and monitoring officers)
- Informal Advisory Groups key functions be as follows:
 - to support the work programme of relevant Thematic Committee
 - coordinating and monitoring delivery of Thematic specific action plans

- ensure appropriate links and communication channels are developed and maintained between constituent authorities, CPCA, key partners and government agencies
- sharing information and good practice as necessary to ensure effective joined up, cross-local authority boundary working and improved performance - forward planning effectively, to ensure the timely consideration of issues within the Thematic Committees remit and to allow for analysis of emerging opportunities and risks and consideration of steps to either exploit or minimise their impact
- formulate advice to Members of the Committee on areas within its remit

4. Reasons for proposal

- 4.1 The proposals set out above for approval and noting by Board have been developed as part of the improvement journey that the Combined Authority finds itself on, these proposals have been developed to directly mitigate against findings made in the 2022 review of governance and the significant areas of concern raised by the external auditors to the Audit & Governance Committee in June 2022.
- 4.2 The review of governance concluded that the CPCA needed to establish solid governance foundations and fundamentals that are critical to supporting wider ownership of governance, identification of purpose and approach, and creating more trusted, open decision-making.
- 4.3 Providing appropriate governance arrangements and seeking to create conditions to support effective, efficient and transparent decision-making within the Combined Authority is the intended goal of these proposals.
- 4.4 In short the intended benefits of all the proposals above are to:
- ☐ Ensure direct alignment of governance arrangements with the Corporate Plan
 - ☐ Provide clear roles and responsibilities regarding key functions
 - ☐ Create a Strategic focused Board
 - ☐ Empower Thematic Committees with the ability to make decisions to drive implementation of Board approved strategy
 - ☐ Reduce the burden of business on Board and Council Leaders
 - ☐ Seek wider constituent council engagement, involvement and collaboration in delivering the CPCA agreed objectives
- 4.5 Greater justification in support of the proposals, the key drivers for them and the benefits that can be delivered as a result can be found in the review of governance and the Improvement Framework report to Board (July 2022), links to both are included in section 12 of this report.

5. Audit & Governance Committee consideration

- 5.1 The Audit and Governance Committee is responsible for keeping under review the governance arrangements, such as the constitution, of the Combined Authority and is empowered to make recommendations to the Combined Authority Board. As a result the key proposals within this report were considered by the Audit & Governance Committee on the 13 January 2023.
- 5.2 The comments of the Audit & Governance Committee and how they have been responded to are set out as follows:

- 5.3 *(A&G comment) There was confusion about the way that the voting arrangements were articulated in the draft. The Committee could not support the proposals as currently presented, ie that only Members of the Board would be entitled to vote, as their understanding was that the new thematic committees were there to reduce the workload of the CA Board. However, the Committee was supportive of the general move to thematic committees and the delegation of work if they were given the ability to vote.*

(Response) The intention has always been that Committee membership will have one vote each with co-opted membership of Thematic Committees not having a vote at present, although this has been suggested as a key topic for review when terms of reference are reviewed. This will lead to wider councillor membership of thematic committees and help reduce the burden on Leaders, although they will act as Chairs of thematic committees where their CPCA Lead Member role is relevant. Accepting that the wording in each Thematic Committee terms of reference can be clearer it has been amended to provide clarity.

- 5.4 *(A&G comment) The terminology be reviewed so that there was a consistent approach rather than, for example, the alternating use of thematic, and executive, committees.*

(Response) Terminology has been reviewed and thematic committee has been used throughout to ensure consistency.

- 5.5 *(A&G comment) The Monitoring Officer confirmed that under the terms of the 2017 order that Combined Authorities were unable to pay allowances. However, in order to assist the Constituent Councils with their own remuneration deliberations, the CPCA should provide assessments of the work involved in Committee roles.*

(Response) This is a matter separate from content of the report and will be picked up by the Monitoring Officer.

- 5.6 *(A&G Comment) The CA Board would have to take particular care of conflicts of interest when ratifying the appointments of Chairs of the Committee, given that constituent councils were likely to put forward members with experience and ability in these roles who likely sat on other committees and boards.*

(Response) This is a matter separate from content of the report and will be picked up by the Monitoring Officer

- 5.7 *(A&G comment) It was not clear how the concept of informal advisory groups would work in practice and how they linked in with the Committees. It was felt it would be useful to include information on who calls for these groups, how their brief was set and how they were organised. It was suggested that in six months' time and in the light of some experience, further clarity on their operation should be provided.*

(Response) Key to resetting the ways of working at the Combined Authority is the informal governance mechanisms. The Combined Authority will be most effective when it is intertwined with the workings of its Constituent Councils, the informal governance arrangements look to drive this, they are vital at ensuring appropriate engagement, communication, issue identification and assisting delivery within each thematic area, even more so in a Combined Authority setting due to the partnership and consensus requirements needed for a Combined Authority to effectively operate.

This was highlighted in the Review of Governance.

Informal governance refers to the supporting officer groups that assist the governance structure, those groups should reflect appropriate constituent council officer membership alongside that of the CA and key partners. Other Combined Authorities engaged as part of the Review of Governance identified informal governance bodies within their governance frameworks and set out the positive value that they added to the governance process.

The purpose of such groups would be:

- to support the work programme of relevant Thematic Committee
- coordinating and monitoring delivery of Thematic specific action plans
- ensure appropriate links and communication channels are developed and maintained between constituent authorities, CPCA, key partners and government agencies
- sharing information and good practice as necessary to ensure effective joined up, cross-local authority boundary working and improved performance - forward planning effectively, to ensure the timely consideration of issues within the Thematic Committees remit and to allow for analysis of emerging opportunities and risks and consideration of steps to either exploit or minimise their impact

A 6 month review of Advisory Groups will be built into ongoing review arrangements as suggested.

5.8 *(A&G comment) The Board needed to establish resource requirements and make suitable financial provision to deliver the Governance requirements.*

(Response) This is a matter for the Board.

5.9 *(A&G comment) The Key Functions of the CA Board (as shown in Appendix A to the report) be amended so that they better captured the requirements of the Authority's response to the concerns expressed in the External Auditor's letter of 1 June 2022. These include:*

- a. *That the CA Board's responsibility for driving performance of key deliverables and performance measures for good growth be elevated to a Key Function and included in the list (a)- (q), and reflected throughout the terms of reference.*

(Response) This has been added

- b. *A dynamic element to the key functions be included so that for example (a) should read to set, review, keep up to date and revise the long term vision of the CA.*

(Response) This has been added

- c. *That a substantive reference to communication and consultation be included as, for example, consultation on the Budget was a statutory responsibility*

(Response) This has been added

- d. *That the wording of (n) - to exercise General power of competence - be exemplified with a much clearer and stronger statement as to its meaning.*

(Response) There is already a reference in the Board details which separately from the key functions list states that 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. It is the intention for the guide to the constitution to pick up a definition.

6. What will follow

- 6.1 There are additional areas of improvement in development as part of the Improvement Plan and internal CPCA improvements that will support these proposals and the wider governance arrangements of the Combined Authority.

Future Role and Responsibilities of the Business Board

- 6.2 Key to these will be the future role and responsibilities of the Business Board. Improvement outcome C2 requires proposals be developed to ensure the role and function of the Business Board is fit for purpose in line with Government recommendations. This outcome also requires proposals for the future role of the Business Board to address conclusions and recommendations raised in the review of governance.
- 6.3 Metro Dynamics, external consultants, have been commissioned to undertake a review of the role and responsibilities of the Business Board in support of Improvement Outcome C2, they will work with Combined Authority Officers to produce proposals for consideration on key functions, operating principles and governance arrangements for the Business Board that support CPCA's strategic priorities, Government's expectations for the functions of an integrated LEP, and local business and economic priorities.
- 6.4 The Review of Governance provided some steer regarding the Business Board which has been fed into the work being undertaken by Metro Dynamics. A Joint CPCA Board/ Business Board workshop took place in December at which early thoughts around the future role of the Business board were discussed.
- 6.5 There appears to be clear support for the Business Board to become a strategic business advisory and business engagement body, providing support to the CPCA Board and its thematic committees. The Improvement Workstream is of the view that:
- ☐ the Business Board should be an advisory body available to all of the CPCA Governance bodies, providing specific business perspective on a multitude of issues.
 - ☐ For the above to add real value the Business Board will need to ensure that its membership is truly reflective of the regions business sectors and community.
 - ☐ This approach would retain the Business Board Chair amongst the membership of the CA Board but would also allow for thematic champions from the Business Board to be members of the Thematic Committees.
 - ☐ Moving to advisory role requires change as the Business Board will no longer have a programme management function, because of its advisory role, and because like other LEPs is not anticipated to receive further Government programme funding.
- 6.6 The Thematic Committee proposals within this report include provision for a Business Board thematic representative to sit on each Thematic Committee, this will ensure collaboration and engagement on cross cutting issues such as skills and will also provide a link between economic growth and the remit of each Thematic Committee.

- 6.7 The Metro Dynamics review is anticipated to be completed in January 2023 and will be reported to the March 2023 meeting of the CPCA Board.

Assurance Framework

- 6.8 The key next phase of governance developments will focus upon the Assurance Framework and the approach taken to the lifecycle of projects including how they are developed and approved.
- 6.9 Engagement with Board on this area has identified support for simplification and clarity around the project process through a single approach, similar in line with the principles of the Single Assurance Framework approach taken at West Midlands Combined Authority.
- 6.10 West Midlands Combined Authority has developed a Single Assurance Framework (SAF) that applies to processes associated with the application and approval of all external funding opportunities and the initiation, development and delivery of projects, programmes and activity that places a financial liability onto the CA that is not classed as a corporate continuous improvement/Business as Usual (BAU) project. A key purpose of a SAF is to provide consistency of approach for assurance, appraisal and decision-making across all funding pots. It also allows for proportionality to be applied for the development of business cases via defined development routes.
- 6.11 The engagement undertaken to date has identified support for greater engagement and collaboration with Constituent partners with the creation of a Technical Officer Group which would consist of officer representatives from all Constituent Councils and from within the Combined Authority. This is standard practice within other MCAs as a key part of the project lifecycle and approval process. A Technical Officer Group would provide technical challenge to proposals, examining the development of business cases, appraisal of those cases and examination against Green Book 5 case criteria.
- 6.12 This phase of work will be driven through a reprofiled Workstream E within the Improvement Plan and will begin with an engagement exercise with Constituent Authorities to better understand experiences to date around the project lifecycle.

Significant Implications

7. Financial Implications

- 7.1 Additional costs associated with the proposals as set out in this paper such as those required for Member Development, to provide additional secretariat support to Committees or to fund activities of advisory groups will need to be provided for from within existing revenue budgets and be approved by the Board.

8. Legal Implications

- 8.1 The review of governance arrangements will need to ensure that the recommendations are legal and adhere to processes within the Cambridgeshire and Peterborough Order 2017 and other relevant legislation. When implementing a change in governance it is necessary to comply with the Local Government Acts. Any changes may require an update to the Council's Constitution.

9. Public Health Implications

9.1 No Public Health implications have been identified.

10. Environment and Climate Change Implications

10.1 No Environmental and Climate Change implications have been identified.

11. Other Significant Implications

11.1 No other significant implications have been identified.

12. Appendices

12.1 Appendix A – Proposed CPCA Board Terms of Reference

12.2 Appendix B – Proposed CPCA Calendar of Meetings 2023/24

12.3 Appendix C – Proposed terms of reference for Environment & Sustainable Communities Committee

12.4 Appendix D – Proposed terms of reference for Skills & Employment Committee

12.5 Appendix E – Proposed terms of reference for Transport & Infrastructure Committee

12.6 Appendix F – Proposed terms of reference for Human Resources Committee

12.7 Appendix G – Proposed Lead Member Role Profile

12.8 Appendix H – Proposed terms of reference for Leaders Strategy Meeting

13. Background Papers

13.1 July 2022 Improvement Assessment Report to Board: [Document.ashx \(cmis.uk.com\)](#)

13.2 2022 Review of Governance: [Document.ashx \(cmis.uk.com\)](#)

13.3 External Auditor letter to Audit & Governance Committee: [Cambridgeshire & Peterborough Combined Authority - VFM Significant Risk Letter \(cmis.uk.com\)](#)

13.4 October 2022 Chief Executive Assessment Report to Board: [Agenda Item No \(cmis.uk.com\)](#) + [Document.ashx \(cmis.uk.com\)](#)

13.5 October 2022 Improvement Plan: [Document.ashx \(cmis.uk.com\)](#)

COMBINED AUTHORITY BOARD FUNCTIONS AND RESPONSIBILITIES (TERMS OF REFERENCE)

The Combined Authority Board has collective responsibility for decision-making, acting in the best interests of Cambridgeshire and Peterborough.

Key Functions of the Combined Authority

The following key functions sit within the responsibility of the Combined Authority Board:

- (a) To set, review, keep up to date and revise the long term vision of the Combined Authority
- (b) To agree, review, keep up to date and revise the strategic objectives for the Combined Authority
- (c) To agree key strategy and policy for the Combined Authority
- (d) To adopt, amend or withdraw any major strategy or policy
- (e) To ensure the Combined Authority undertakes statutory and appropriate communication and consultation in the setting of the budget and policy framework
- (f) Overall responsibility for the implementation and delivery of the Corporate Plan, assisted by Thematic Committees in the implementation and delivery of Priority Areas from within the Corporate Plan.
- (g) Responsibility for driving performance of key deliverables/ performance measures for achieving good growth, and ensuring that Thematic Committees and the Business Board are driving delivery of good growth key deliverables as they relate to each Thematic Committee remit.
- (h) To drive future devolution and lobbying of Government
- (i) To agree prioritisation and re-purposing of funds
- (j) To agree approval of projects and programmes in line with the Scheme of Delegations
- (k) Approve the Combined Authority Budget and the Mayoral Budget (and related strategy, policy, programmes, borrowing and virements over £500k)
- (l) To agree Transport Levy/ LTCP/ Consultation on the allocation of Local Highways Maintenance Capital Grant
- (m) To appoint the Head of Paid Service (Chief Executive), Monitoring Officer and Chief Finance Officer (“the statutory officers”)
- (n) To consider employment matters referred by the Human Resources Committee
- (o) Approve business cases and loans to third party businesses including wholly owned subsidiaries
- (p) Approve applications to bid for external funding where there are wider budgetary implications, or the bid relates to a matter outside the strategic framework
- (q) To exercise General power of competence
- (r) Agree delegations to supporting committees
- (s) Auditing decisions for funding approved by the Business Board for Local Growth Funds, Growth Hub funding, Energy Hub funds and Enterprise Zones funds.
- (t) Responding to Gateway Reviews

The Combined Authority Board retains a number of functions which are reserved for the Board, it can delegated authority to approve, amend or withdraw any major strategy or policy to Thematic Committees in support of delivering its functions.

Functions reserved to the Combined Authority Board

The following functions are reserved to the Combined Authority Board:

Strategy & Policy

- ☐ The adoption of, and any amendment to or withdrawal of any major strategy or policy including the Mayor's growth ambition statement, Corporate Plan, Local Industrial Strategy, Local Transport Connectivity Plan, Skills Strategy and others.

Frameworks

- ☐ The adoption of, and any amendment to or withdrawal of the following framework documents:
 - (a) Assurance Framework
 - (b) Monitoring & Evaluation Framework
 - (c) Performance Management Framework
 - (d) Risk Management Framework

Financial Matters

- ☐ The adoption of, and any amendment to or withdrawal of the following financial documents:
 - (a) The non-mayoral Combined Authority budgets;
 - (b) Approval of carry forward of any underspent balances between financial years;
 - (c) Annual spending plans for the allocation of transport-related funding;
 - (d) Treasury Management Strategy including approval of borrowing limits;
 - (e) Medium Term Financial Plan and Capital Programme
 - (f) Fiscal Strategy to reflect any taxation proposals, such as Business Rates, Local Taxation, and to approve any requests to Government for additional powers.
- ☐ Consultation on the allocation of Local Highways Maintenance Capital Grant
- ☐ Approve budget allocations for feasibility work from the non-transport feasibility fund
- ☐ Approve business cases and loans to third party businesses including wholly owned subsidiaries;
- ☐ Approve applications to bid for external funding where there are wider budgetary implications, or the bid relates to a matter outside the strategic framework.
- ☐ Approval of virements of £500,000 and over;
- ☐ In relation to the Mayor's General Budget, and in accordance with the Budget Framework Procedure Rules (see Chapter – Financial Regulations):
 - (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.

Accountable Body

- ☐ Auditing decisions for funding approved by the Business Board for Local Growth Funds, Growth Hub funding, Energy Hub funds and Enterprise Zones funds.

Governance

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) Approve the nomination of lead member responsibilities and membership and chairs of thematic committees and sub-committees upon recommendation from the Mayor;
- (e) Approval of Mayoral Allowance and any other allowance schemes;
- (f) Appointment of an Independent Person of the Audit and Governance Committee;
- (g) Appointment of Statutory Officers;
- (h) Delegation of functions to third parties;

- (i) Establishment of Trading Companies;
- (j) Any other matters reserved to the Board.

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.

The Combined Authority Board exercises the right to call for consideration any decision taken by a Thematic Committee in line with the process and grounds set out in the constitution and subject to the statutory powers of the Overview & Scrutiny Committee, if they believe that decision has not taken into account (a) the level of expenditure (b) potential for reputational risk and/or (c) politically contentious nature of a decision when:

- ☐ Taking a decision as part of implementing a strategy approved by Board
- ☐ taking operational decisions within Policy & Budget Framework
- ☐ approval of items included within an approved Medium Term Financial Plan
- ☐ approval of applications to bid for external funding opportunities where they are within the Combined Authority strategic framework.

Combined Authority Board Member(s) should notify the Monitoring Officer within two working days of the decision being taken if they wish to undertake such consideration.

Voting

Voting arrangements are set out in Chapter 7 (Boards and Committees) of the Constitution.

Membership of the Combined Authority Board

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

- (a) The Mayor, or Deputy Mayor acting in the Mayor's absence
- (b) An elected Member appointed by each of the Constituent Councils or Substitute Members acting in their place;
- (c) A Representative of the Business Board or Substitute Members acting in their place;
- (d) Co-opted Members (non-voting) invited to attend who shall be present to contribute on issues related to the organisation they represent.

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, unless the failure was due to some reason approved by the authority before the expiry of that period, they cease to be a Member of the Board.

Lead Member Functions

The following functions of the Combined Authority are grouped into lead member responsibilities, allocated to Constituent Council Members of the Combined Authority and include the following responsibilities:

- (a) To lead and champion their allocated lead member functions;
- (b) To act as key spokesperson for the Combined Authority within their respective Constituent Councils
- (c) To chair and lead a committee where established;
- (d) To provide leadership for officers on the development of key strategic documents or investment proposals for approval by relevant committees or the Combined Authority Board;
- (e) To provide leadership for their geographical area within the collective Combined Authority into future devolution proposals and public sector reform;

- (f) To liaise with Members holding similar lead member responsibilities within the Constituent Councils.
- (g) To lead on the development of key strategic documents for approval by the Combined Authority;
- (h) To communicate with the public on matters within their portfolios and to be accountable for their portfolio areas;
- (i) To input into any future devolution proposals and public sector reform.
- (j) To delegate (a) –(i) to a designated member, including members of their constituent authorities when unable to act for any reason

Executive Bodies

The Combined Authority Board has the power to delegate its functions, which are not reserved to it, to Committees, Sub-Committees, Officers, Joint Committees or other Local Authorities. The Board cannot delegate its functions to individual members of the Board.

Working Groups

The Combined Authority may establish informal working groups. These groups will be non-decision making groups of Officers and Members.

Membership

The Combined Authority shall appoint the membership of all thematic committees, sub-committees, joint committees and working groups, including the appointment of the Chair, Substitute Members and any Co-opted Members. In accordance with Chapter 3, the Mayor shall nominate the membership and chairs of any thematic committees to the Board for approval.

The political balance rules apply to all committees, sub-committees and joint committees where political groups are formed. Where political groups are not formed the Combined Authority has agreed that at least one member of a party not of the same political affiliation as the Mayor shall be appointed to all committees.

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

Voting arrangements for the Board are set out in the Constitution under [insert section here].

Quorum

The quorum for Combined Authority Board is at least at least five members. These five members must include the Mayor or Deputy Mayor acting in the place of the Mayor and four members or substitute members, appointed by the constituent councils.

Access to Meetings

The Transparency Rules, Forward Plan and Key Decisions apply to all committees, sub-committees and joint committees (see Chapters 6: Decisions; and 10: Access to Information, Information Governance, Data Protection and Complaints). These rules do not apply to working groups and commissions.

APPENDIX B

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY MEETING CARD - 2023/24

		2023								2024					
MEETING	TIME	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Combined Authority Board	10:00 am			26	[30]	20	[18]	29		31	[28]	20	[24]		
Annual Combined Authority Board	10.00 am	31													5
Committees															
Transport and Infrastructure	10.00 am		14	12		13		15		17		13			19
Skills	10:00 am		5	3		4		6		15		4			10
Environment & Sustainable Communities	10:00 am		12	10		11		13		22		11			17
Overview and Scrutiny	11:00 am		12	24	[25]	18	[16]	27		29	[26]	18	[22]		3
Audit and Governance	10:00 am		9	7		8		17		12	9	8			7
Employment Committee (unscheduled)															
Business Board	14:30 pm	15		10	[14]	4	[2]	13		15	[5]	4	[15]	20	
Leaders Strategy Meetings		10	28		[2]&30	27		1	13	3	[7]&21	27	17	8	
CACEG Meetings		3	21	26	23	13	25		6	30	14	[19]	10	1	
Other Bodies															
Fire Authority	14:00 pm		15					9			8				20
Cambridgeshire Public Service Board (unscheduled)	09:30 am														
GCP Joint Assembly	14:00 pm		8			7		23							
GCP Executive Board	16:00 pm		29			28			14						
Local Government Association Board			7	19		6	18		7	24		6	17		
Cambridgeshire CC Full Council	10:30 am	16		18			17		19		6 [9]	19		21	
Cambridge City Council Full Council	18:00 pm	25		20			19				22/29			23	
East Cambridgeshire DC Full Council	18:00 pm	25		13			19				20 [22]		18	23	
Fenland DC Full Council	16:00 pm	22		10			2		11		26			13	
Huntingdonshire DC Full Council	19:00 pm	17		19			11		13		21	27			
Peterborough CC Full Council	18:00 pm	22													
South Cambridgeshire DC Full Council	14:00 pm	25		21		22		24			21	30			
Conferences															
Conservative Party Annual Conference							1-4								
Labour Party Annual Conference							8-11								
Liberal Democrat Annual Conference						23-26									

Board meets Bi Monthly on a Wednesday. No meeting in December
 Overview and Scrutiny to meet the Monday before the Board
 Audit and Governance Committee to meet on a Friday
 Business Board - Monday 2 weeks ahead of CA Board
 Transport, Housing and Skills Committees Bi Monthly
 CPSB Meeting are on Fridays
 [] Reserve dates

Proposed Terms of Reference for the Environment & Sustainable Communities Committee

Environment & Sustainable Communities Committee	
Purpose	<p>Implement and deliver Priority Area – Enabling Resilient Communities as set out in the Corporate Plan</p> <p>Development of thematic strategy and key policy, engaging key stakeholders and partners to develop proposals to assist delivery of the CAs strategic objectives</p> <p>Oversee implementation of thematic strategy and key policy, taking decisions within the strategic and budgetary framework agreed by the Board to deliver strategy and key policy.</p> <p>Drive delivery of key strategic performance measures (as set out in corporate plan and key supporting strategy)</p> <p>Oversight and management of the development and delivery of thematic business cases, programmes and projects, ensuring that they are contributing to the delivery of CA Strategic Objectives and the Annual Business Plan.</p> <p>Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.</p>
Accountable to:	Cambridgeshire & Peterborough Combined Authority Board
Accountable for:	<p>Development, management and implementation of key strategy and policy relevant to remit of Committee, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Climate Action Plan (Combined Authority) <input type="checkbox"/> Cambridgeshire & Peterborough Independent Commission on Climate <input type="checkbox"/> Oxford – Cambridge Pan Regional Partnership: Environmental Plan <input type="checkbox"/> Green Homes (including approval of Green Homes Grants) <input type="checkbox"/> Water/Power infrastructure (no strategy developed) <input type="checkbox"/> Non-Statutory Spatial Framework <p>Oversight and management of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Net Zero Programme <input type="checkbox"/> Sustainable Warmth Programme <input type="checkbox"/> Affordable Housing Programme <p>Performance management of key performance measures from Corporate Plan within remit of the Committee, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Reduction in CO2 emissions <input type="checkbox"/> Increase in biodiversity with improvements in both common and red-list species <input type="checkbox"/> Communities able to adapt to climate related impact (eg, flood resilience) <input type="checkbox"/> Healthy Life Expectancy at Birth rates to increase <input type="checkbox"/> Reduction in the gap between the healthiest and least healthiest place <input type="checkbox"/> Reduction in percentage of households living in fuel poverty

Membership:	<input type="checkbox"/> Mayor (or their nominee) <input type="checkbox"/> CPCA Lead Member for Housing <input type="checkbox"/> CPCA Lead Member for Environment & Climate Change <input type="checkbox"/> Representative from each Constituent Authority (not represented on Committee through CPCA Lead Member position(s)) <input type="checkbox"/> Business Board Thematic Representative <p>Co-opted Members of the Combined Authority Board should receive an open invite to all thematic committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in [insert section] of the constitution apply to committees.</p>
Chair:	The Committee will be jointly chaired on a rotational basis by the CPCA Lead members for Housing and for Environment & Climate Change
Vice Chair:	A vice-chair will be appointed by the Environment & Sustainable Communities Committee.
Voting:	<p>Only the members of the Committee will be entitled to vote at meetings (not co-opted Members), the Chair does not exercise a casting vote.</p> <p>Any matters that are to be decided by the Committee are to be decided by consensus of the Committee where possible. Where consensus is not possible the provisions of the Constitution shall apply as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Each Member of the Committee is to have one vote and no Member including the Chair is to have a casting vote <input type="checkbox"/> Co-opted Members cannot vote <input type="checkbox"/> Any matter put to a vote will be decided on a show of hands. A decision will require a minimum of 4 voting members present and voting
Quorum:	No business shall be transacted unless representatives of four Constituent Authorities or more are present at a meeting
Servicing:	The Committee will be serviced by CPCAs Governance Team
Frequency:	Minimum of 6 meetings per year
Supported by:	<p>The Committee is supported by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Regional Place Directors Advisory Group
Functions: (key areas of focus under Corporate Plan)	<p>Environment & Climate</p> <ul style="list-style-type: none"> <input type="checkbox"/> Climate Action Plan / Doubling Nature (incl. EVs) <input type="checkbox"/> Alternative Fuel Strategy deliverables <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Nature restoration <input type="checkbox"/> Greater South East Net Zero Programme <input type="checkbox"/> Retrofit in Care Homes and Village Halls <p>Housing</p> <ul style="list-style-type: none"> <input type="checkbox"/> Maintain the oversight of the build out of the affordable housing programme and the re-payment of the Loan Book Identify housing initiatives and opportunities to deliver regional benefit

	<input type="checkbox"/> Identify housing initiatives and opportunities to deliver regional benefit Infrastructure <ul style="list-style-type: none"> <input type="checkbox"/> Power and water sufficiency (e.g. reservoir, renewable energy grid) <input type="checkbox"/> Preservation of infrastructure (e.g. dykes) Social/ Communities <ul style="list-style-type: none"> <input type="checkbox"/> Enabling creative industries <input type="checkbox"/> Sustainable Warmth <input type="checkbox"/> Supporting partner culture bids, e.g. City of Cambridge Culture <p>The Committee can approve projects detailed in the Medium Term Financial Plan marked subject to approval.</p>
Lead Member Functions:	<p>Support the Lead Member for Housing and the Lead Member for Environment & Climate Change by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Providing advice and support to CPCA activity <input type="checkbox"/> Helping engage with wider stakeholder networks and activity <input type="checkbox"/> Identify and scale up existing good practice within the CPCA region, including cross portfolio working, improvements and initiatives <input type="checkbox"/> Identify and secure resources to deliver new opportunities
Review:	<p>Reviewed annually and/or following adoption of new Corporate Plan</p> <p>The review process will include consideration of co-opted membership that will support the Committees remit</p>

Skills & Employment Committee	
Purpose	<p>Implement and deliver Priority Area – Ambitious Skills & Employment Opportunities as set out in the Corporate Plan</p> <p>Development of thematic strategy and key policy, engaging key stakeholders and partners to develop proposals to assist delivery of the CAs strategic objectives</p> <p>Oversee implementation of thematic strategy and key policy, taking decisions within the strategic and budgetary framework agreed by the Board to deliver strategy and key policy.</p> <p>Drive delivery of key strategic performance measures (as set out in corporate plan and key supporting strategy)</p> <p>Oversight and management of the development and delivery of thematic business cases, programmes and projects, ensuring that they are contributing to the delivery of CA Strategic Objectives and the Annual Business Plan.</p> <p>Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.</p>
Accountable to:	Cambridgeshire & Peterborough Combined Authority Board
Accountable for:	<p>Development, management and implementation of key strategy and policy relevant to remit of Committee, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Employment and Skills Strategy <input type="checkbox"/> Work, Health and Wellbeing Strategy <p>Oversight and management of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Devolved Adult Education Budget <input type="checkbox"/> Other Government funded programmes (Multiply, Skills Bootcamps) <p>Performance management of key performance measures from Corporate Plan within remit of the Committee, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Closing the skills gap with the national average for: a) Peterborough b) Fenland c) pockets within wider Cambridgeshire <input type="checkbox"/> An increase in % of the population qualified to Levels 2, 3 and 4, and high qualifications <input type="checkbox"/> Reduced difference in household income between most deprived and least deprived areas <input type="checkbox"/> Increase in percentage of population in well-paid employment <input type="checkbox"/> Improved health and wellbeing as measured by ONS Health Index
Membership:	<ul style="list-style-type: none"> <input type="checkbox"/> Mayor (or their nominee) <input type="checkbox"/> CPCA Lead Member for Skills & Employment <input type="checkbox"/> Representative from each Constituent Authority (not represented on Committee through CPCA Lead Member position(s))

	<input type="checkbox"/> Business Board Thematic Representative Co-opted Members of the Combined Authority Board should receive an open invite to all thematic committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in [insert section] of the constitution apply to committees.
Chair:	The Committee will be chaired by the CPCA Lead member for Skills & Employment
Vice Chair:	A vice-chair will be appointed by the Skills & Employment Committee.
Voting:	<p>Only the members of the Committee will be entitled to vote at meetings (not co-opted Members), the Chair does not exercise a casting vote.</p> <p>Any matters that are to be decided by the Committee are to be decided by consensus of the Committee where possible. Where consensus is not possible the provisions of the Constitution shall apply as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Each Member of the Committee is to have one vote and no Member including the Chair is to have a casting vote <input type="checkbox"/> Co-opted Members cannot vote <input type="checkbox"/> Any matter put to a vote will be decided on a show of hands. A decision will require a minimum of four voting members present and voting
Quorum:	No business shall be transacted unless representatives of four Constituent Authorities or more are present at a meeting
Servicing:	The Committee will be serviced by CPCAs Governance Team
Frequency:	Minimum of 6 meetings per year
Supported by:	The Committee is supported by: <ul style="list-style-type: none"> <input type="checkbox"/> Employment & Skills Board <input type="checkbox"/> Education Advisory Group
Functions: (key areas of focus under Corporate Plan)	<p>Enhancing Careers Education, Information, Advice and Guidance</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cambridgeshire & Peterborough Careers Hub <input type="checkbox"/> Influencing national providers of Careers <input type="checkbox"/> Lobbying Government for an all age careers service <p>Delivery of Lifelong learning and workforce skills</p> <ul style="list-style-type: none"> <input type="checkbox"/> Continue to target the delivery of the Skills Fund (AEB and Free Courses for Jobs) <input type="checkbox"/> Skills Bootcamps to better meet local need <input type="checkbox"/> Improve numeracy and number-confidence among our citizens through delivery of Multiply <p>Employer engagement and access to talent</p> <ul style="list-style-type: none"> <input type="checkbox"/> Implementing a Health & Work Strategy to address economic inactivity and productivity <input type="checkbox"/> Delivering Growth Works with Skills

	<p>Lobbying for a second Skills Devo Deal that strengthens our current programme and delivers greater impact. Our asks:</p> <ul style="list-style-type: none"> <input type="checkbox"/> A simplified Single devolved revenue budget for all skills programmes <input type="checkbox"/> A Single devolved capital budget for all skills infrastructure funding streams <input type="checkbox"/> A Single devolved Careers budget <p>Building Skills Infrastructure</p> <ul style="list-style-type: none"> <input type="checkbox"/> FE Cold Spots <input type="checkbox"/> ARU Peterborough Phase 3 <input type="checkbox"/> Centre for Green Technology at Peterborough College <input type="checkbox"/> Net Zero Centre at Wisbech <input type="checkbox"/> North Cambridgeshire Training Centre <p>Generic</p> <ul style="list-style-type: none"> <input type="checkbox"/> Provide leadership in developing an approach to future devolution of powers from Government to the region on matters of Skills and Employment <input type="checkbox"/> To consider and advise upon major policy change <p>The Committee can approve budgets and projects detailed in the Medium Term Financial Plan marked subject to approval including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Approval of employment projects detailed in approved MTFP <input type="checkbox"/> Approval of AEB Budget as detailed in MTFP <input type="checkbox"/> Approval of commissioning of delivery partners where this is required and authorise the staged release of budget for education and skills projects detailed in and funded from the MTFP
Lead Member Functions:	<p>Support the Lead Member for Skills and Employment by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Providing advice and support to CPCA activity <input type="checkbox"/> Helping engage with wider stakeholder networks and activity <input type="checkbox"/> Identify and scale up existing good practice within the CPCA region, including cross portfolio working, improvements and initiatives <input type="checkbox"/> Identify and secure resources to deliver new opportunities
Review:	<p>Reviewed annually and/or following adoption of new Corporate Plan</p> <p>The review process will include consideration of co-opted membership that will support the Committees remit</p>

Transport & Infrastructure Committee	
Purpose	<p>Implement and deliver Priority Area - Improving Connectivity as set out in the Corporate Plan</p> <p>Development of thematic strategy and key policy, engaging key stakeholders and partners to develop proposals to assist delivery of the CAs strategic objectives</p> <p>Oversee implementation of thematic strategy and key policy, taking decisions within the strategic and budgetary framework agreed by the Board to deliver strategy and key policy.</p> <p>Drive delivery of key strategic performance measures (as set out in corporate plan, the LTCP and key supporting strategies)</p> <p>Oversight and management of the development and delivery of thematic business cases, programmes and projects, ensuring that they are contributing to the delivery of CA Strategic Objectives and the Annual Business Plan.</p> <p>Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.</p>
Accountable to:	Cambridgeshire & Peterborough Combined Authority Board
Accountable for:	<p>Development, management and implementation of key strategy and policy relevant to remit of Committee, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The Local Transport and Connectivity Plan suite of policy and strategic documents including implementation plans <input type="checkbox"/> Bus Strategy and implementation of appropriate passenger transport framework <input type="checkbox"/> Transport budget, including any transport levy <input type="checkbox"/> Annual programme of strategic transport and infrastructure projects <input type="checkbox"/> Delegation of passenger transport functions to delivery partners <p>Oversight and management of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Agreements with the Minister or strategic highways companies for the exercise of functions relating to the strategic transport and infrastructure networks <input type="checkbox"/> Strategic relationships with national bodies (Network Rail, Great British Railways, National Highways), utility providers and other key stakeholders <input type="checkbox"/> Delegation of passenger transport functions to delivery partners <p>Performance management of key performance measures from Corporate Plan within remit of the Committee, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> LTCP Performance Measures <input type="checkbox"/> Increasing public transport usage and sustainable travel connectivity <input type="checkbox"/> Reduction in numbers of people killed or seriously injured on region's roads

	<input type="checkbox"/> Reduced congestion on major roads <input type="checkbox"/> Measurable improvement in connectivity for 'left behind' areas
Membership:	<input type="checkbox"/> Mayor (or their nominee) <input type="checkbox"/> CPCA Lead Member for Transport <input type="checkbox"/> Representative from each Constituent Authority (not represented on Committee through CPCA Lead Member position(s)) <input type="checkbox"/> Business Board Thematic Representative <p>Co-opted Members of the Combined Authority Board should receive an open invite to all thematic committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in [insert section] of the constitution apply to committees.</p>
Chair:	The Committee will be chaired by the CPCA Lead Member for Transport
Vice Chair:	A vice-chair will be appointed by the Transport & Infrastructure Committee
Voting:	<p>Only the members of the Committee will be entitled to vote at meetings (not co-opted Members), the Chair does not exercise a casting vote.</p> <p>Any matters that are to be decided by the Committee are to be decided by consensus of the Committee where possible. Where consensus is not possible the provisions of the Constitution shall apply as follows:</p> <input type="checkbox"/> The committee shall apply the weighted voting rights that the Combined Authority Board applies to transport matters as set out in the committee procedure rules.
Quorum:	No business shall be transacted unless representatives of four Constituent Authorities or more are present at a meeting
Servicing:	The Committee will be serviced by CPCAs Governance Team
Frequency:	Minimum of 6 meetings per year
Supported by:	<p>The Committee is supported by:</p> <input type="checkbox"/> Transport Advisory Group
Functions: (key areas of focus under Corporate Plan)	<p>Transport Functions (recommendations to Board)</p> <input type="checkbox"/> The Local Transport & Connectivity Plan (Suite of policy and strategic documents including implementation plans) <input type="checkbox"/> Bus Strategy and implementation of appropriate passenger transport framework <input type="checkbox"/> Transport budget, including any transport levy <input type="checkbox"/> Annual programme of strategic and sustainable transport and infrastructure projects <input type="checkbox"/> Delegation of passenger transport functions to delivery partners <input type="checkbox"/> Assessment of innovative forms of transport to allow for the potential appropriate implementation within the region <input type="checkbox"/> Spending plans or plans for the allocation of transport-related funding

	<p>Accessibility</p> <ul style="list-style-type: none"> <input type="checkbox"/> Reform the bus network (including assessing bus framework options, including franchising) and bus sustainability <input type="checkbox"/> Rail and station improvements <input type="checkbox"/> Road enhancements and improvements <input type="checkbox"/> Strategic freight improvements <input type="checkbox"/> Other transport planning initiatives, including fiscal measures, neighbourhood improvements <input type="checkbox"/> Alternative vehicles infrastructure, such as electric and hydrogen <input type="checkbox"/> Road safety - Vision Zero and junction upgrades <p>Active Travel</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cycling schemes <input type="checkbox"/> Micro-mobility <input type="checkbox"/> Walking routes <p>Digital Connectivity Infrastructure</p> <ul style="list-style-type: none"> <input type="checkbox"/> Digital resilience <input type="checkbox"/> Smart streets and towns <input type="checkbox"/> Broadband and mobile <p>Generic</p> <ul style="list-style-type: none"> <input type="checkbox"/> Provide leadership in developing an approach to future devolution of powers from Government to the region on matters of Transport <input type="checkbox"/> Lobbying of government and sub national transport bodies <input type="checkbox"/> To consider and advise upon major policy change <input type="checkbox"/> To bid for funds made available by government <input type="checkbox"/> Respond to key transport consultations that will impact on the Combined Authority <p>The Committee can approve budgets and projects detailed in the Medium Term Financial Plan marked subject to approval including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Approval of Transport projects detailed in approved MTFP <input type="checkbox"/> Approving the commissioning of delivery partners where this is required and authorising the staged release of budget for transport and infrastructure projects in the Business Plan and funded from allocation within the Medium Term Financial Plan.
Lead Member Functions:	<p>Support the Lead Member for Skills and Employment by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Providing advice and support to CPCA activity <input type="checkbox"/> Helping engage with wider stakeholder networks and activity <input type="checkbox"/> Identify and scale up existing good practice within the CPCA region, including cross portfolio working, improvements and initiatives <input type="checkbox"/> Identify and secure resources to deliver new opportunities
Review:	<p>Reviewed annually and/or following adoption of new Corporate Plan. The review process will include consideration of co-opted membership that will support the Committees remit.</p>

Appendix F – Proposed terms of reference for Human Resources Committee

Human Resources Committee	
Purpose	<p>To discharge the functions of the authority in respect of the appointment, dismissal or other disciplinary action relating to the Chief Officers in accordance with the Constitution and any relevant employment policies and procedures.</p> <p>Development, management and review of human resources policy to assist delivery of the CAs strategic objectives.</p>
Accountable to:	Cambridgeshire & Peterborough Combined Authority Board
Accountable for:	<p>Development, approval management and implementation of Human Resources Policy.</p> <p>To make recommendations to the Combined Authority Board on the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer and Chief Finance Officer (“the statutory officers”)</p> <p>To determine:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Appointment of Chief Officers <input type="checkbox"/> Approval of new Human Resources Policies <input type="checkbox"/> To take disciplinary action falling short of dismissal against the statutory officers and to suspend and keep under review any suspension of those statutory officers <input type="checkbox"/> To take disciplinary action against Chief Officers in circumstances capable of resulting in the dismissal of those officers and to suspend and keep under review any suspension of those officers <input type="checkbox"/> To determine appeals by Chief Officers against decisions made in relation to grievance proceedings <input type="checkbox"/> To determine employment procedures for the officers of the Combined Authority, including dismissal and redundancy procedures <input type="checkbox"/> To determine local terms and conditions of employment for officers of the Combined Authority <input type="checkbox"/> Oversee whistleblowing and grievance policy and practice
Membership:	<ul style="list-style-type: none"> <input type="checkbox"/> Mayor (or their nominee) <input type="checkbox"/> Representative appointed by each Political Party represented at Combined Authority Board
Chair:	The Committee will be chaired by the Mayor or their nominee
Vice Chair:	A vice-chair will be appointed at a Committee meeting at which appropriate CPCA Lead Members are not present
Voting:	Voting is by a show of hands and shall be decided by a majority of those present and voting.
Quorum:	No business shall be transacted unless representatives of 3 Constituent Authorities or more are present at a meeting

Servicing:	The Committee will be services by CPCAs Governance Team
Frequency:	Called as and when required
Supported by:	<p>The Committee is supported by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The Combined Authority's Director/Head/Manager of Human Resources or their representative
Functions: (key areas of focus under Corporate Plan)	<p>Key functions for the Committee to undertake:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Review and agree all new HR policies. Any amendments that are due to legislative changes or are minor operational matters will be implemented in consultation with Trade Unions and Executive Team <input type="checkbox"/> Establish and undertake, as required, a Statutory Officer Investigatory Panel with authority to make recommendations to the Combined Authority as to the dismissal arising from disciplinary action [as defined at paragraph 2.2 below] of any of the statutory officers. The membership of this Panel shall be as set out in the Officer Employment Procedure Rules <input type="checkbox"/> 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 the Head of Paid Service [Chief Executive] and Chief Officers. <input type="checkbox"/> Promotion and pursuit of policies of equal opportunities in employment <input type="checkbox"/> Determine policies relating to local government pensions and discretionary compensation for early termination of employment. Upon the commencement of the Restriction of Public Sector Exit Payments Regulations to approve applications for waivers under the Regulations.
Review:	<p>Reviewed annually and/or following adoption of new Corporate Plan</p> <p>The review process will include consideration of co-opted membership that will support the Committees remit</p>

Appendix H – Proposed Lead Member Role Profile

Purpose:

- ☐ To lead and champion their allocated lead member functions in consultation with the Mayor
- ☐ To act as key spokesperson for the Combined Authority within their respective Constituent Councils
- ☐ Chair and manage the business of relevant thematic committee where established in accordance with its Terms of Reference, the Constitution of the Combined Authority and with the Members Code of Conduct and with the highest standards of legal and ethical behaviour and probity
- ☐ To drive engagement and collaboration in their allocated lead member area with relevant Constituent Council lead members (or equivalent) and key partners

Key duties and responsibilities:

- ☐ To provide leadership for officers on the development of key strategic documents or investment proposals for approval by relevant committees or the Combined Authority Board
- ☐ To provide leadership for their lead member area within the collective Combined Authority into future devolution proposals and public sector reform
- ☐ To liaise with Members holding similar lead member responsibilities within the Constituent Councils
- ☐ To lead on the development of key strategic documents for approval by the Combined Authority
- ☐ To develop and present investment proposals to the Combined Authority
- ☐ To communicate with the public on matters within their portfolios and to be accountable for their portfolio areas
- ☐ To input into any future devolution proposals and public sector reform

Appendix H – Proposed terms of reference for Leaders Strategy Meeting

Leaders Strategy Meeting	
Purpose	<p>To act as the political policy and strategy development forum for the Combined Authority</p> <p>To engage, brief and prepare Board Members</p>
Membership:	Combined Authority Board Membership
Chair:	CPCA Mayor
Supported by:	<p>CPCA Executive Team</p> <p>Regional Chief Executives Group</p>
Servicing:	The Committee will be services by CPCAs Chief Executive Unit
Frequency:	Monthly, with a minimum of 3 in-person meetings per year
Functions: (key areas of focus under Corporate Plan)	<ul style="list-style-type: none"> <input type="checkbox"/> Provide an informal opportunity for the region's political leadership to meet and discuss matters of shared interest <input type="checkbox"/> Receive briefings on region-wide issues impacting Constituent Authorities of the CA and the CA itself <input type="checkbox"/> Provide an opportunity to 'horizon scan' potentially contentious or difficult issues expected to arise in the medium term. <input type="checkbox"/> Debate, discuss and develop key Combined Authority strategy and policy direction <input type="checkbox"/> Discuss and agree devolution approach <input type="checkbox"/> Debate, discuss and develop the regional vision for Cambridgeshire and Peterborough <input type="checkbox"/> To brief Board Members on upcoming Board agenda items <input type="checkbox"/> To engage Board Members in the production and content of Board reports prior to publication in order to provide an early steer to content and clearance of drafts <input type="checkbox"/> To own and manage the Forward Plan <input type="checkbox"/> To engage Board Members in key debates and discussion on topics before they are formally added to Forward Plan <input type="checkbox"/> To provide briefings and oversight of items considered at Thematic Committees <input type="checkbox"/> To provide oversight of delivery (project pipeline progress and challenges, learning, benefits realised)

Climate and Strategy Business Case January 2023

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 January 2023
Public report:	Yes
Lead Member:	Councillor Bridget Smith, Lead Member for the Environment and Climate Change
From:	Mark Parkinson, Director of Corporate Services
Key decision:	Yes
Forward Plan ref:	KD2022/082
Recommendation:	<p>The Combined Authority Board is recommended to:</p> <p>Approve the Business Case for Meanwhile at Core Site, North East Cambridge project and approve £1.0m from capital and £120k revenue from the subject to approval line in the Medium term financial plan (MTFP).</p>
Voting arrangements:	<p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 To seek approval for the Business Case and approve funding allocation from the subject to approval line of the medium-term financial plan (MTFP).
- 1.2 The Full Business Case and supporting documents are in Appendix 1.
- 1.3 If approved, the project will have approved funding to move into the delivery phase. Monitoring and evaluation will continue throughout the delivery phase.

2. Background

- 2.1 The below sets out the process this project has been through to get to this stage.
- 2.2 **Prioritisation and Business case development**
 - 2.2.1 Bids for inclusion in the CPCA budget were submitted by 31 December 2021 in response to the MTFP consultation.
 - 2.2.2 Projects that passed through this stage were included within the MTFP as subject to approval allocations following Board approvals in early 2022.
 - 2.2.3 An HMT Green Book compliant Business Case template was issued that included guidance to support project managers.
 - 2.2.4 The aim of the process has been to ensure the Business Cases evidence value for money whilst also ensuring the document is proportionate to the size of the project and not overly burdensome to complete.
- 2.3 **Project Summary**
 - 2.3.1 **Meanwhile at Core Site, North East Cambridge**
 - 2.3.2 Capital funding is sought for building costs for a community and purpose-driven project at Core Site in North East Cambridge. This includes the delivery of much needed affordable and tailored space which will allow local organisations to grow, marking the start of the regeneration of the NEC area with early jobs, community consultation and cohesion.
 - 2.3.3 The project is a 15 year + meanwhile project, making use of an otherwise redundant 1.5 ha area of land that will eventually become developed for residential uses as part of the wider Core Site masterplan. The project envisages a campus of diverse and innovative initiatives, unified by a shared commitment to social and environmental purpose, around themes of developing sustainable food systems, tackling climate change, and reducing inequality.

3. Assessing Value for Money

- 3.1 The CA Programme Office reviewed the Combined Authority Assurance Framework, HMT Green Book (2020) and National Audit Office (NAO) guidance and met with the Chief Finance Officer when deciding on the guidance for evidencing Value for Money.
- 3.2 The Assurance Framework states that to achieve value for money in spending public funds is through ensuring that all projects contribute to the objectives of the Combined Authority via adherence to the Green Book principles, specifically that unless fulfilling a statutory requirement, all business cases must demonstrate a strong fit with the strategic objectives of the relevant Board.
- 3.3 NAO uses three criteria to assess the value for money of government spending i.e., the optimal use of resources to achieve the intended outcomes:
- Economy: minimising the cost of resources used or required (inputs) – spending less.
 - Efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and
 - Effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.
- 3.4 The NAO guidance states that there must be a balance of inputs, outputs & outcomes, that 'optimal' is the most desirable possible given restrictions or constraints, and that the question of 'what does good look like?' has been answered.
- 3.5 Within the Strategic Case of the Business Case the scope of the project has been fully developed and there is a case for change section which assesses what do nothing looks like and what good looks like, linking to CPCA strategic objectives.
- 3.6 Within the Economic Case a Green Book Project Profile Tool was adapted for each project to link outputs to outcomes to impacts and to CPCA strategic objectives and metrics.
- A logic model has also been developed. Also included in the Business Cases is a Monitoring and Evaluation section that includes an evaluation plan and how progress against these inputs, outputs and outcomes will be measured.
- 3.7 Within the Economic Case there is also an assessment of options against costs and benefits including do nothing and do minimum which aims to assess which is the optimal use of resources.
- 3.8 The Chief Finance Officer has reviewed this Business Case and an assessment on Value for Money against the above criteria has been used and is noted in the Economic Case.

4. Timescales and next steps

- 4.1 If approved the above projects will have funding to move into the delivery phase of the project. Monitoring and evaluation will continue throughout the delivery phase.

5. Financial Implications

- 5.1 The Combined Authority Board approved, as part of the 2022/23 revenue budget, Capital Programme 2022/23 to 2025/26 and Medium-Term Financial Plan (MTFP) 2022/23 to 2025/26, a list of climate and strategy related projects, presented on 26 January 2022.
- 5.2 The initial allocation of subject to approval budgets within the MTFP was agreed at this Board, ensuring that funding would be available for these projects, should they be approved via the gateway stages and provide evidence as value for money.
- 5.3 There are no additional financial implications arising from the recommendations in this report.

6. Legal Implications

- 6.1 None

7. Public Health Implications

- 7.1 Please refer to individual business cases.

8. Environmental and Climate Change Implications

- 8.1 Please refer to individual business cases.

9. Other Significant Implications

- 9.1 There are no other significant implications.

10. Appendices

- 10.1 [4.1 Appendix 1 - Core Site - CPCA Business Case - Final Draft](#)

11. Background Papers

- 11.1 [Combined Authority reports January 2022 - Sustainable Growth Ambition Statement, 2022/23 Budget and Medium-Term Financial Plan 2022 to 2026](#)

11.2 [Combined Authority Board March 2022](#)

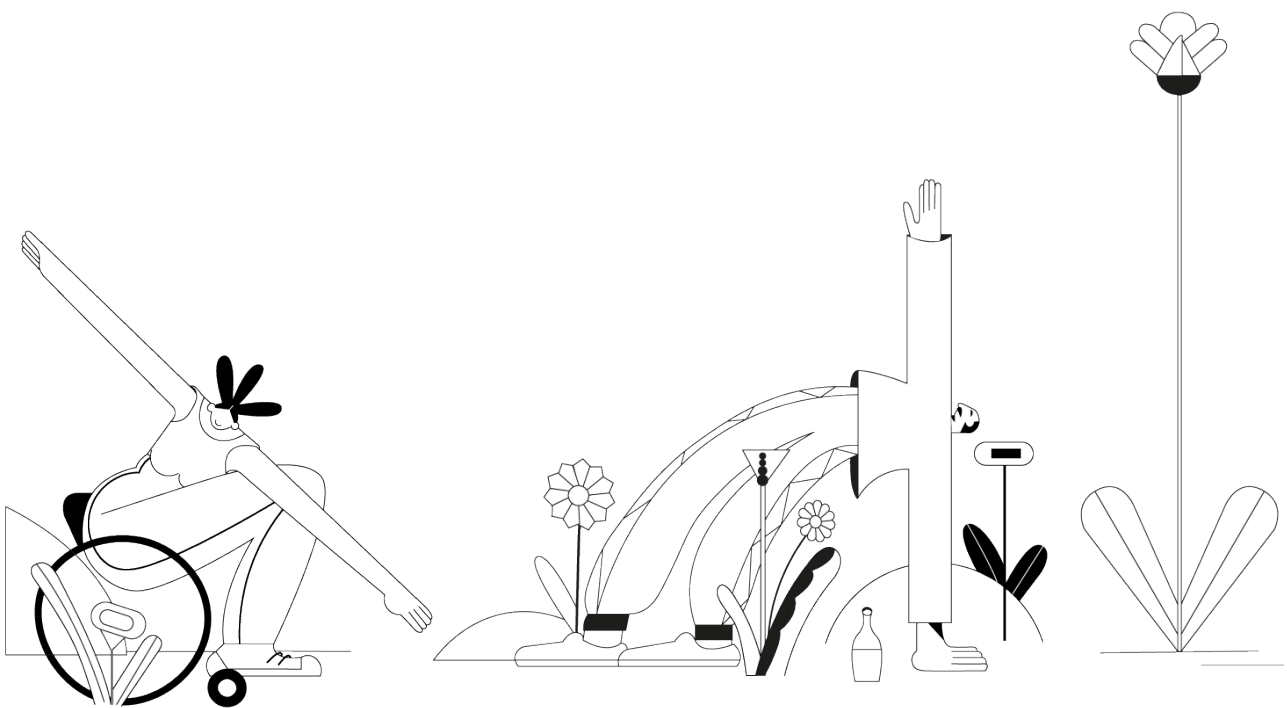
Meanwhile Thinking

The first step in a new sustainable neighbourhood for North East Cambridge



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1 INTRODUCTION

ABOUT THE BUSINESS CASE

This business case, prepared by U+I and TOWN contains the following:

1. Introduction
2. Strategic Case
3. Economic Case
4. Commercial Case
5. Financial Case
6. Management Case
7. Appendices

INTRODUCTION

The following business case, submitted by U+I/ TOWN as master developers of the Core Site, sets out a clear business case for the meanwhile project proposed as part of our early placemaking activity on the site. It comes with the support of Cambridge City Council (CCC) and Anglian Water (AW) as landowner and the Cambridgeshire and Peterborough Combined Authority (CPCA).

This paper sets out the rationale and business case for our proposals and clearly identifies the reasons we would look to implement and deliver the project, with the assistance of CPCA.

PROJECT BACKGROUND

U+I and TOWN (referred to as U+I/ TOWN hereon) are appointed as master developer of the Core Site, a key area within the wider North East Cambridge Area Action Plan. The Core Site is the last undeveloped large-scale brownfield regeneration opportunity in Greater Cambridge, measuring 49 hectares and set to deliver 5,600 homes over the next 15-20 years.

U+I/ TOWN propose to deliver a meanwhile project that will bring together a rich network of community and purpose-driven organisations with high social impact to the Core Site for 15+ years, whilst the wider regeneration project is being brought forward.

The meanwhile project will mark the start of the regeneration of the site and is therefore critical to establishing the tone for the development. It will:

1. **Begin to build a community at the Core Site** – large urban extensions are often difficult places for communities to form and grow, especially in their early phases. The meanwhile project will play an important role in forming partnerships and relationships with local communities, groups, and organisations in Cambridge and beyond. It will help to embed the project in the local area from the outset, providing early activation to an otherwise inward facing site.
2. **Activate the site and support early placemaking on Cowley Road** – the meanwhile project will help to establish the start of, and form a critical new part of the, the first new neighbourhood at the Core Site through the delivery of early commercial space and attraction of new visitors to the area.



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3. **Respond to local needs** – responding to local, well-evidenced needs to provide affordable commercial space for social enterprises and charities.
4. **Test ideas, approaches and uses for implementation in the wider scheme** – through the provision of flexible commercial accommodation on site, the meanwhile project will provide an opportunity to trial innovative uses, construction approaches, systems and methods which could be then implemented on the wider regeneration of the Core Site.
5. **Establish awareness and positive perceptions of the wider Core Site project** – the meanwhile project will help put the Core Site on the map, create positive perceptions around the project and pave the way for important early delivery of permanent phases of the Core Site.
6. **Provide a physical base for the Core Site project in Cambridge** – the meanwhile project will provide flexible space and opportunities for engagement with the local community, a space for listening and learning and forming partnerships and relationships that will aid the delivery of 5,600 homes across the Core Site.

The current vision for the meanwhile use emerged following a reassessment of the Core Site's previous meanwhile proposals which comprised a Sci-Fi Tech Container Village, which had formally attracted funding from the CPCA. This funding expired in 2020 and the project team have been revisiting plans to ensure that a socially beneficial meanwhile use, achieving each of the objectives identified above, can be delivered on site.

In late 2020, U+I/ TOWN invited proposals for a meanwhile proposition from a shortlist of organisations which would complement the vision and objectives for the long-term delivery of the Core Site masterplan as a healthy, inclusive, walkable, low-carbon new city district with a vibrant mix of high-quality homes, workplaces, services, and social spaces, fully integrated with surrounding neighbourhoods.

Proposals were sought that were fully aligned with the Promises and Values that have been created to underpin the emerging proposals for the wider Core Site masterplan. The three promises and six values that have been adopted by the Core Site team are as below.

Three key **Promises** underpin our vision for the Core Site.

- **People:** The Core Site will support the health, happiness and wellbeing of the people who'll live, work, and spend time here.
- **City:** The Core Site will be an integral new quarter of Cambridge, taking inspiration from the city, engaging with its citizens' present needs, and helping shape its future.
- **Planet:** The Core Site will be an exemplar for development fit for the challenges of the 21st Century, enabling sustainable lifestyles, protecting, and enhancing nature and accelerating the transition to a zero-carbon world.

Six **Values** will underpin and guide the project.



- **Rooted in Cambridge:** The Core Site will be an integral, new piece of Cambridge, that is both part of the city and a distinctive new place in its own right. It will help shape the City's future whilst learning from the city's history and character. It will be a place to live, work, play and learn, where people know their neighbours, shop locally and put down roots.
- **Shaped by Many:** We'll engage with many people and organisations through the process of planning and delivering the Core Site, enabling the new place to be influenced by different perspectives. It will be delivered by many partners: larger developers, affordable housing providers, SMEs, and community-led organisations. Once built, residents will continue to shape the new place, through community-focused forms of place and space management and a culture of participation.
- **Open to All:** The Core Site's resources – its homes, public space, shops, employment opportunities and community facilities – will be affordable, available, and accessible to all. It will provide a place to start, and a place to stay, with homes for those just starting out, those raising families, people downsizing and others in the later stages of their lives. The Core Site will foster a culture of inclusiveness and diversity, designed to value children, older people, those who are more vulnerable, and those whose voices do not always get heard.
- **Living Within Environmental Means:** The Core Site will be innovatively designed and constructed to make efficient use of valuable natural resources such as land, water, and energy. It will respond to the challenges of the climate emergency and help Cambridge meet its commitment to achieving net zero carbon before 2050. It will make it easier for people to live sustainable and healthy lifestyles with a high quality of life.
- **Integrated with Nature:** The Core Site will incorporate nature and wildlife throughout its buildings, gardens, streets, and parks. It will offer the opportunity to experience nature at first hand – through food growing, conservation initiatives and exploring wild places, and using nature to enhance wellbeing. We'll learn from nature in developing innovative approaches to design, construction, energy production and water management.
- **Street Life:** In large part free of cars, streets at the Core Site will take on many new roles - places for children's play, exercise, cafe tables and natural landscaping. The Core Site's streets will be home to a variety of uses, providing places to work, shop and have fun within easy walk of home. Streets will enable walking, cycling and low-carbon modes of transport, with excellent bus connections and easy access to Cambridge North station.

Alongside a variety of project partners, the updated meanwhile strategy was agreed in May 2021. In late 2021, a design-led feasibility study was undertaken to establish a design solution for an available site located on Cowley Road.

PROJECT SCOPE

The project for which we are seeking funding is a 15+ year meanwhile project, making use of an otherwise redundant 1.5 ha area of land that will eventually become developed for residential uses as part of the wider Core Site masterplan. The project envisages a campus of diverse and innovative



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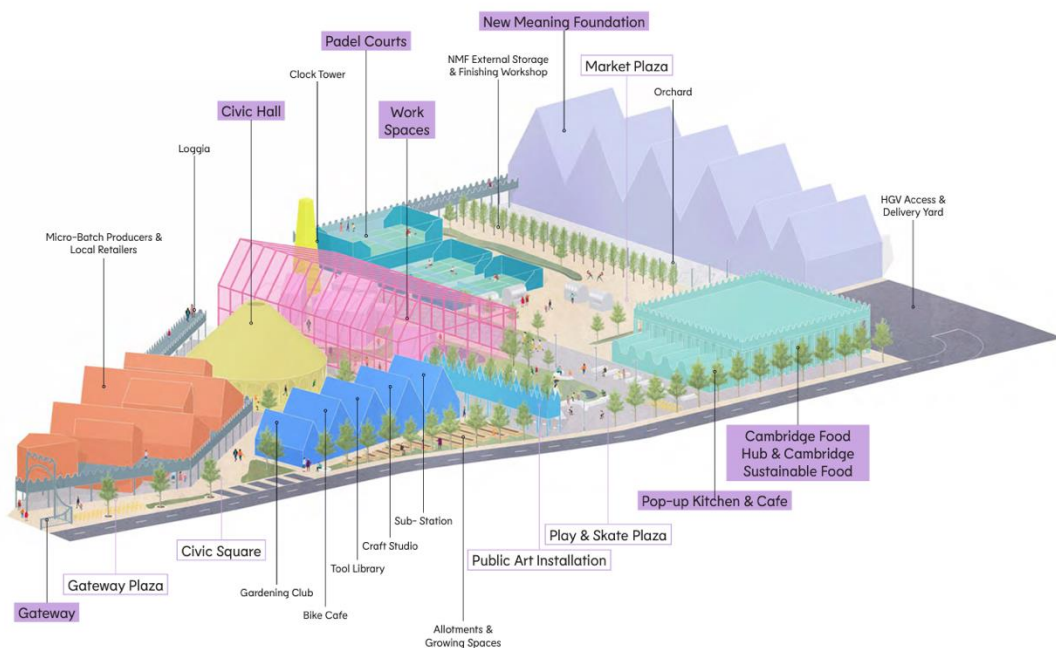


initiatives, unified by a shared commitment to social and environmental purpose, around themes of developing sustainable food systems, tackling climate change, and reducing inequality. Images included below are from the design feasibility study which has informed this bid, but which is subject to further design development.

We are aiming to deliver the project with a series of partners who are already in operation, but who are currently challenged by lack of appropriate space to scale up their impact. As such, this project will have immediate and substantial local benefit, accelerating the impact of these partner organisations and building on the strength of their foundations and networks.

Masterplan

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Anchor Initiatives

The key components of the project are:

1. Affordable workspace for organisations combating the climate emergency

Approx. 250m² of high-quality, flexible, and affordable workspace to incorporate a mix of maker and office spaces, to be made available to organisations (start-ups, SMEs, social enterprises, charities, etc) whose activities are focused on tackling climate change. The co-location of these like-minded organisations will allow for collaboration, innovation, and the transfer of knowledge, helping cultivate this important sector.

We expect this to target existing organisations in the local area, as well as attracting new organisations in the future as they are formed, in the following sectors:



- Cleantech, including clean energy
- Sustainable materials, buildings, and circular economy
- Sustainable food chains
- Smart cities
- Sustainable transport
- Sustainable lifestyles

Workspace will be designed for flexibility, both in terms of rental structure (from pay-as-you-go to long-term), and in terms of space (from a desk to a larger office), with the aim of supporting organisations as they grow and develop. It's mix of desk space and maker space will allow for a wide range of complementary activities, including research, prototyping as well as core business activities such as sales and administration.

We will deliver the workspace with a to-be-appointed operator, and in collaboration with other local organisations working in this sector, including Cambridge Cleantech, Cambridge Institute for Sustainability Leadership, New Meaning Foundation, and Cambridge Ahead.



2. Sustainable food hub

A new approx. 900m² building housing a series of activities and services unified by a commitment to rethink and change the way that food is grown, transported, prepared, consumed, and disposed of. It will accommodate:

- **Local food hub** – a logistics facility for the processing, packaging, and onward delivery of sustainable, local food. Food will be sourced at scale from producers of all sizes across Cambridgeshire, brought to this facility using low-energy storage and transportation, then



prepared for delivery to businesses, schools, and homes in and around Cambridge using low-carbon, city-friendly forms of transports such as electric cargo bikes. Circular economy principles will be employed throughout, including reusable packaging, and reducing food waste.

- **Incubator & community kitchens** – a series of high-quality kitchens aimed at start-ups, SMEs and non-profits who are operating at the intersection of food and sustainability. These will be flexible and affordable, and supported by programmes of training and mentoring. They will also offer the benefit of a ready-made local food supply chain through proximity to the logistics facility described above.
- **Food recycling initiative** – an initiative focused on tackling food waste in and around Cambridge, by working with local businesses to retrieve food that would otherwise be unnecessarily disposed of, and redepoying this by providing food for those in poverty, deploying it through catering or, where it cannot be consumed, enabling sustainable disposal.



3. MMC Factory and Training Centre

A approx. 1,000m² purpose-built factory for the off-site manufacture of high-quality, sustainable buildings. This facility will provide a unique setting for training, staffed by young people who are currently excluded from the workforce.

Operated by a local social enterprise, the facility will employ people who are not in education, training or employment, offering them a programme of training, mentoring and support over a 1 to 5 year period. It is estimated that 20 to 30 training and patient employment positions will be available each year. Using the manufacturing as a focus of training, the programme will deliver a mix of manual, multiskilled trades, administrative and other core skills that are required in the workplace, including valuable experience and confidence.

4. Campus setting and supporting uses

The initiatives described above will act as the anchors of this project. However, just as important to the project's overall success will be the campus and landscape setting in which they are situated. This will serve a few critical functions, including providing important amenity for the people who'll work and spend time here, spaces for interaction and productive collaboration between the various initiatives and space for the community to spend time and engage with the wider Core Site masterplan. They will be managed and maintained by a specialist operator, to be determined.

The campus setting will be actively programmed and designed, to include a series of functions, buildings and spaces that will achieve these goals. These will include:

- **Civic Hall** – a simple, high-quality building of approx. 150m² that will offer larger space for use by the anchor initiatives in support of their core activities (for example, a festival of local food, or a public exhibition around renewable energy), as well as a place for local organisations to hire at reasonable prices for meetings and other events, as well as training and volunteering programmes for the local community.
- **Food growing areas** – space for local organisations to come together to grow food. This space will be different from statutory allotments, in that it will be aimed at local groups and programmes, rather than individuals, and specifically those that are able to demonstrate positive social purpose. This may include gardening for mental health, gardening for disabled people, training opportunities for those excluded from the workforce, and other initiatives that will support people at disadvantage.
- **Food and drink** – spaces for local food businesses, those who may have a synergy or relationship with the food hub described above, offering good, local, and sustainable food to employees and members of the public. This will be important to attracting people to the project, as well as showcasing some of the project's ethos in a tangible way.
- **Micro-retail and micro-production spaces** – affordable space for highly differentiated businesses to sell and produce goods, with a strong focus on those who have synergy with the wider ethos of the project. This may include a sustainable brewery, bakery co-operative or a local jewellery designer.
- **Amenity space** – the setting will support and manifest the wider ethos of the project, bringing these to life in an applied way. It will create spaces which will support the wellbeing of those working on the site, and those visiting. Central to the approach for this space will be a strong commitment to sustainability – for example in integrating planting and biodiversity, water management, and the use of low-impact building approaches.

Location and Development

The project will be located on Cowley Road, on a parcel of land that will be integrated into the Core Site development at North East Cambridge. This site is owned by Cambridge City Council, forming part of an existing golf driving range, and will be made available for a period of approx. 15 years to support



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this project, allowing time for the uses to mature and develop sustained positive outcomes over their useful life.

The site is ideally positioned,. 7 minutes' walk from Cambridge North station, very close to the guided busway, which offers a 15 minute cycle to Cambridge City Centre, and is within easy reach of a number of residential communities including Orchard Park, Chesterton, Milton and Histon. It also has access to the A14, allowing the movement of larger goods which will be necessary for some of the initiatives set out above (namely the Food Hub and the MMC Factory and Training Centre).

Development of the project is expected to be phased, both owing to its size and the requirement to dovetail with the work ongoing at the wider Core Site development. This is likely to mean that some of the supporting uses set out above (such as the visitor-focused and F&B elements) may be part of a later phase, to be delivered once the relocation of the water treatment centre is complete, and odour zone removed.

The intention is to take an innovative and ambitious approach to delivering the project in terms of sustainability, deploying new, low-carbon materials, demonstrating clean energy and sustainable water treatment, and intelligently designing buildings to make sure that they may be reused at the end of the project. This will be critical to embodying the values of the project, as well as creating the environment within which the various initiatives will be able to flourish.



Building Permanent and Long Lasting Value

While this is a temporary project – albeit a long-term one – the purpose of this project is to cultivate a legacy that will outlive the period of the project’s operation and life. Specifically, the project’s intention is to actively cultivate several initiatives and organisations that could eventually be re-accommodated within the Core Site – through a planned programme of relocation some 15 years from now. Even at this early stage, we are planning spaces in the wider Core Site masterplan that could become available for many of the initiatives that will be supported through the project – as well as the organisations they will cultivate and spin off.

A further synergy between the project and the wider Core Site development is the possibility to apply the learning of the project to the delivery of the Core Site itself. For example, sustainable building technologies that are incubated in the affordable workspace may be deployed at larger scale within the development. A business starting out in the incubator kitchen may become a landmark restaurant at the heart of the new neighbourhood, showcasing a sustainable, local food chain. Customers of the new development may buy vegetable boxes from the food hub. The management and operation may be shaped and actioned by partners and users. People who receive training from the MMC Factory may become part of the workforce delivering the wider project.

We will work to provide opportunities and pathways for these outcomes to be delivered.

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2 STRATEGIC CASE

INTRODUCTION

The strategic case sets out the alignment of the proposals with local, regional, and national policy and with the CPCA's strategic priorities, including the Sustainable Growth Ambition Statement.

STRATEGIC PRIORITY

ALIGNMENT WITH NATIONAL AND LOCAL POLICY

The proposals help support national policy in several ways. In line with the NPPF, the proposals will help to aid the delivery of housing on the last large-scale brownfield site in Cambridge. This will be achieved through increased engagement opportunities on site, helping to build support for the wider Core Site masterplan early in its development. Once in operation, the proposals will also contribute to early placemaking on the site, creation of a new community with cultural facilities and the creation of new jobs.

At a local level, there is a clear policy intent from GCSPS to support meanwhile uses, as reflected in the emerging GCLP (policy WS/MU) and NEC AAP (policy 28). The proposal therefore helps to support emerging North East Cambridge Area Action Plan (NEC AAP) by delivering early on its policy objectives. The NEC AAP has advanced to Proposed Submission 'Regulation 19' stage, which is effectively a final draft which CCC and South Cambridgeshire District Council, in their joint planning function as Greater Cambridge Shared Planning Services ('GCSPS'), propose to adopt. This proposes comprehensive, residential-led, redevelopment of the Core Site, as well as the wider North East Cambridge area.

ALIGNMENT WITH CPCA STRATEGIC PRIORITIES

The table below shows how the proposals scored in the previous prioritisation process by the CPCA in early 2022:

GVA	SIX THEMES							
	Climate and Nature		Infrastructure	Knowledge	Health and Skills		Social	Finance
	Climate Change	All other			Health	Skills		
3	3	2	3	2	3	3	3	2

The proposals embody much of the strategic priorities as set out in the Devolution Deal and the Combined Authority Sustainable Growth Strategy specifically. Below we have set out how the proposal is in line with each of the six dimensions within the Combined Authorities investment programme:



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Six Themes of CPCA Sustainable Growth Ambition Statement	Anchor Initiatives			
	Affordable Workspace	Sustainable Food Hub	MMC Factory and Training Centre	Campus setting and supporting uses
Climate and Nature - restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities.	Providing dedicated and affordable workspace for businesses fighting the climate emergency will directly address the impact of climate change from within Greater Cambridge.	<p>Creation of a local sustainable food ecosystem for Greater Cambridge which will distribute food with low car miles via low carbon modes, help to growing local food businesses through incubator kitchens and provide cookery lessons on how to eat sustainably for local communities.</p> <p>Food Hub encourages transition to agroecological farming techniques in the region by creating demand for sustainably produced food as well as providing a direct route to</p>	<p>Providing educational opportunities to upskill labour market and creating specialists in sustainable modern methods of construction,</p> <p>Creating low-impact new microhomes on site for those that need a roof over their home or for ex-homeless in need of follow-on accommodation.</p> <p>.</p>	<p>Providing opportunities for low-impact, climate- and nature- friendly landscaped space and infrastructure including food growing areas and SuDs that will help to restore the areas depleted natural capital.</p> <p>Exhibition space will allow for initiatives such as community lessons on how to live more sustainably.</p>

		market for locally grown food		
Infrastructure - from digital and public transport connectivity, to water and energy, building out the networks needed to support a successful future;	Space for businesses and possible support to innovate around key themes, including those in Cleantech, materials and circular economy, food, smart cities, and lifestyle.	<p>Distribution of food using low-carbon modes, including EVs.</p> <p>First incubator kitchens in Greater Cambridge which will enable local food businesses grow and have a successful future.</p> <p>Food hub will create infrastructure which improves connectivity and facilitates direct trade between local food producers and enterprises.</p>	Construction of microhomes for homeless charities and registered providers to deploy as needed across the region, providing key housing infrastructure to current gap in provision.	Ambitious sustainability strategy to be developed, as set out in Climate & Nature Considerations, to include energy, water, materials, and transport.
Innovation - ensuring this area can continue to support the most dynamic and dense knowledge economy in Europe	Direct contribution to local productivity and knowledge economy through providing accessible space for collaboration and working.	<p>Growth of emerging innovative food sector in Cambridge through new clustering and facilities.</p> <p>Food hub is showcasing an innovative technique in</p>	<p>Growing local knowledge and workforce in modern methods of construction.</p> <p>Introduction of novel, innovative decarbonised and off-grid technologies.</p>	Neutral spaces and events to foster clustering and collaboration benefits across the site, including Civic Hall to share knowledge with local and region-

		food supply-chain coordination, which is based on circular economy principles (first of its type in the UK).		wide communities.
Health and Skills - building human capital to raise both productivity and the quality of life	Increased productivity in NEC area through creation of dedicated workspace and in turn job creation in emerging sector specifically fighting climate emergency. Future quality of life improvements through innovations made within affordable workspace which could positively impact everyday lives of residents in Cambridge by avoiding worst of climate emergency.	Making good quality, healthy and sustainably produced food more accessible to people throughout the Cambridge and South Cambridgeshire area, including to those who are on a low income. Reduce impacts of food poverty in the city by re-distributing surplus food Reduce impact of food poverty by providing education and social classes on how to eat well on less in training kitchen. Improve health and wellbeing outcomes by distributing fresh	Providing accredited Level 1 and Level 2 training programmes for disadvantaged young people in modern methods of construction to enable future job opportunities Creation of formal apprenticeships alongside training programmes. Providing supported “patient” employment for those adjusting to socially positive work and self-management behaviours.	Productivity boosts to local, existing employment space through provision of new amenities. Quality of life through opportunities to contribute to community uses including food growing, using civic hall as much-needed meeting place for local organisations

		fruit and veg to those on low incomes and through self-growing food projects.		
Reducing inequalities- investing in the community and social capital which complement skills and connectivity as part of the effort to narrow the gaps in life expectancy and income between places;	More Jobs through the growth of the green sector and those fighting climate emergency. Opportunity to engage the local community in local mission to tackle climate emergency.	Reduce impacts of food poverty in the city by re-distributing surplus food. Opportunities to grow skills and knowledge around food and voluntary opportunities to contribute to local anti-food poverty drives. Growth of new food businesses in Greater Cambridge, and therefore increase income across the local area.	Investing in disadvantaged young people to grow construction and social skills to grow their future income and increase life expectancy.	Social capital around food growing, creating communities, event space and meeting space for local organisations.
Finance - improving the institutional capital which supports decision-making and delivery.	Need for public sector finance to enable growth opportunity, and then attract further grants and investment to support innovative businesses in	Growth of new food businesses within the vibrant local food economy in Greater Cambridge, and therefore increase income		

	their endeavours.	across the local area.		
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CASE FOR CHANGE

CURRENT CONTEXT

The anchor initiatives for the meanwhile use focus on the sustainable food network and construction training opportunities.

The sustainable food hub will be designed to tackle the food challenges Cambridge faces locally and to create a better, more sustainable Cambridge for the future. Key issues include:

1. Promoting healthy and sustainable food – increasing public awareness of and interest in healthy and sustainable food is a vital first step to creating a positive food culture.
2. Food poverty, ill health, and health food access – tackling food-related inequality is one of today's most urgent challenges if we are to stem the rising tide of hunger, obesity, and other diet-related ill-health such as heart disease and type 2 diabetes.
3. Community knowledge, skills and resources – grass roots energy, innovation and action are the engine of positive change and it is vital that individuals and communities can build the knowledge, skills, resource and projects to make that change happen.
4. A vibrant, diverse sustainable food economy – If food culture and the system that support it is going to be transformed, food needs to be not only good for people and the planet, but also good for local economies, business, and jobs.
5. Transforming catering and food procurement – with 50% of meals eaten outside the home, catering and procurement offers one of the most effective ways to drive large-scale changes in healthy and sustainable food.
6. Reducing waste and the ecological footprint – with nearly half of all food thrown away, reducing food waste has huge potential social, economic, and environmental benefits.

The construction and training facility will provide a unique setting for training, staffed by young people who are currently excluded from the workforce. This will provide an alternative education provision helping young people to find their strengths and develop the confidence and skills to earn their own living.

In discussions with Cambridgeshire County Council in particular, it has been made clear of the need of such a training facility in Cambridge for those who are not in the mainstream education and therefore the most vulnerable - therefore requiring more bespoke facilities and programmes in the city.

Whilst historically it has been noted that the city's NEET figure is less (as a percentage) than other areas in the region, recent investment in programmes in other locations and closure of programmes



based in Cambridge owing to high rents is giving rise to a growing need for a new facility in this location.

DRIVER FOR CHANGE & EXISTING ARRANGEMENTS

This project responds to several local needs, which if unmet may lead to the failure of the proposed anchor initiatives and reduce the benefits these bring to the local area, Cambridge, and surrounds.

Market failure has led to a situation whereby the anchor initiatives are unable to find suitable accommodation or workspace to facilitate the needs of the business without impeding on their operations, growth and/ or long-term sustainability.

Supporting local charities and social enterprises

This project will be delivered in partnership with several local social enterprises and charities with a focus on tackling skills, training and health inequalities in Cambridge and its surrounds.

These organisations already exist and are delivering successful programmes, but are finding it difficult to find appropriate premises and support to sustain their operations. They need long-term investment and certainty around premises to continue and expand their positive impact - this project offers them the certainty they require over a 15 year period, and the potential for permanent grow-on space in the wider Core Site development, is successful and desirable.

If this meanwhile project is not delivered there is a real risk to our partner organisations around their ongoing viability and the continued positive impacts of their programmes to Cambridge and surrounds.

Helping meet housing need

Cambridge is the UK's least equal city, and this is reflected in the local housing market, where high prices exclude many from accessing appropriate housing. The low score of housing affordability for Cambridgeshire (score of 9.07) is consistently identified as a key challenge by the Combined Authority.

Alongside this, Cambridge is in the top ten cities nationally for housing growth. Whilst latest figures indicate planning permissions for 28,507 new homes in Cambridgeshire, only 3,236 (11%) are under construction – the NEC AAP policy is designed and intended to help tackle the need for new homes in the city, delivering over 8,000 new homes across the wider area.

This meanwhile project will actively support the delivery of 5,600 homes on the Core Site, helping to deliver the aims of the NEC AAP and making a major contribution to the number of new homes in the city. With a commitment to 40% affordable housing, the Core Site project will also play a key role in delivering homes which are available to those in and around Cambridge who are most in need.

This project will play an important role in enabling the Core Site to deliver this. By engaging local people with the Core Site project early on, embodying its vision and values, and inviting people to help shape the project, it will help to build tangible support for the project, as well as helping to ensure that the housing that is delivered addresses the needs of local people.



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If the project is not delivered there is an increased risk to the delivery of the Core Site masterplan, potentially resulting in a failure to address the need for housing and affordability in Greater Cambridge. This would ultimately lead to a failure to meet the needs of the local people.

Delivering skills, training, and employment

While Cambridge is a leading city in economic terms, it faces severe problems around inequality and high levels of deprivation in East Chesterton (adjacent to the site), with uneven access to opportunities of education, training, and employment among its residents. Likewise, wealth of knowledge and diversity of culture across the Combined Authority is prominent, however these skills are needed to be developed evenly across the region. Many of those who have less opportunity live in the communities nearest to the Core Site and this project.

The project will respond to this challenge by:

- Creating training opportunities for local people who are not in education, training, or employment, through the MMC training factory
- Creating training opportunities around food, focused around the incubator and community kitchens
- Delivering flexible workspace for small businesses and other organisations at accessible prices, helping to open opportunities for local people who may not be able to afford existing workspace
- Creating opportunities for volunteering, training, and mentoring through the less formal elements of the project
- Creating employment and apprenticeship opportunities through the project's construction and operation phase, with a commitment to making these accessible for local people
- Cultivating skills and employment opportunities in the rural economy of the wider area by catalysing demands for locally-grown produce

If the project is not delivered:

- There will be a missed opportunity to deliver improved opportunities for local people in need of them
- Our partner organisations will face much-increased challenges around their operations and may face viability challenges, potentially losing all benefit generated for the local area

Fostering more sustainable communities

In addition to supporting the delivery of new homes, this project will be instrumental in making sure that these are delivered within resilient, sustainable communities.

This will include:



- Establishing a healthy and balanced mix of uses in an area which is currently dominated by large zones of inward facing employment land, rebalancing this with residential uses and creating an environment where homes and workspaces are more finely intertwined.
- Cultivating and offering opportunities to grassroots community groups and volunteer-based organisations, helping to foster a culture of participation and community empowerment around the Core Site - leading to the development of a community that is engaged, active and mutually supportive. Not only will this be of benefit to the Core Site, but will also have profound and positive impacts on the residential communities of north Cambridge.
- This involves a wide mix of people from early in the Core Site's development, helping to shape a mix of housing that will meet the needs of a wide range of people at all stages of their lives and across a range of life and financial circumstances.

If the project is not delivered there is a real risk that housing delivered will lack the supporting uses and amenity required, creating a less diverse and sustainable community. This will ultimately be a missed opportunity to create a greater culture of participation, instead delivering a more conventional form of development where people do not know their neighbours and have little involvement in the management and prosperity of their environment.

Improving local health and wellbeing

Severe inequality in Cambridge means that there is a discrepancy of 11 years in life expectancy between its most wealthy and its poorest citizens. A [user survey](#) by local food hubs found that 44% of users were already having financial difficulties affording fresh and healthy food options prior to the pandemic and it is felt that this is only going to rise, especially in the face of the recent cost of living crisis.

This project will help to improve the health of Cambridge residents in several tangible ways:

- Through the food hub, it will deliver nutritious, locally-grown food at affordable prices to residents in and around Cambridge through the Food Hub, helping to create a culture of food awareness and healthy eating, and connecting people with a knowledge of where their food comes from.
- Through the food hub, the project will divert food away from landfill, towards meeting the needs of those who are most in need.
- It will offer people opportunities to get involved in healthy activities such as gardening and exercise, with activities focused at people who might usually be less likely to have access to this sort of activity.
- The MMC Factory and Training Centre will offer training and patient employment for disadvantaged young people and those out of employment in the local area.

If the project is not delivered:



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- There will be a missed opportunity to deliver positive health outcomes for local people at disadvantage and in addressing the burden of diet-related ill health through programmes run by the Sustainable Food Hub.
- There will be a threat to the ongoing viability of our partner organisations and the work they are doing.

There will be missed opportunities for patient employment and training for young people, and those not in employment in modern methods of construction.

CLIMATE CONSIDERATIONS

The proposals make the most of the opportunity to 'move the needle' and make a material impact on sustainability, aligned with the Promises and Values adopted for the Core Site. This project will form the first delivery of any development on the Core Site, and as such, will be the first test of the wider Core Site Sustainability and Quality of Life Framework.

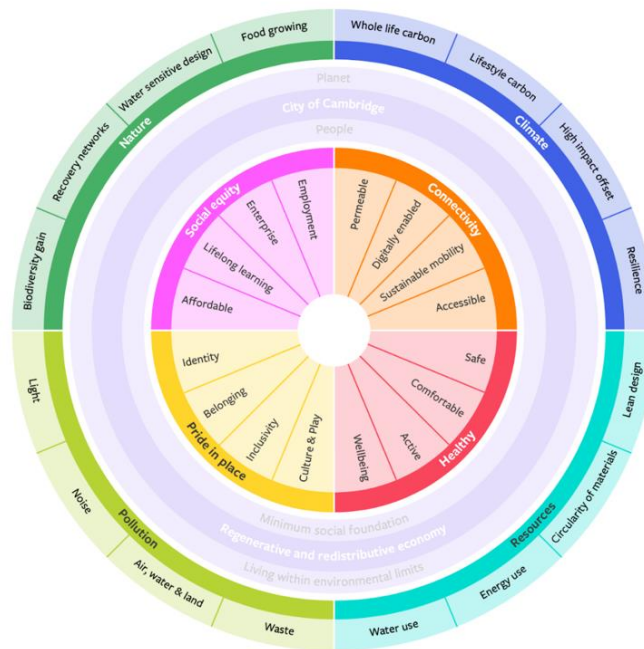
The objectives of the framework are as follows:

- To work towards the goal of achieving net zero carbon before 2030.
- To lead and champion sustainable development and be an exemplar model for development that helps tackle climate change whilst prioritising quality of life.
- To continually review and adapt the strategy in response to changes in policy, technology, and scientific evidence about the impact of climate change.
- To respond to the Climate emergency, biodiversity emergency and cost of living crisis.
- To make the Core Site resilient to climate change and to build in climate adaptation measures.
- To enable people living and working on the Core Site to live a healthy, happy, and sustainable life.
- To thoroughly engage with and listen to stakeholders' and the local community's concerns and needs regarding environmental sustainability and quality of life and to adapt the strategy to reflect local needs.
- To ensure the strategy is fully integrated in different elements and phases of the project including design, planning, procurement, construction, operation, management, and maintenance.
- To establish specific measurable targets for environmental sustainability and quality of life against which performance can be monitored.
- To align with local policy and planning aspirations, in particular those in the draft North East Cambridge Area Action Plan (NEC AAP), and the strategic objectives of the CPCA.

The Framework has been formed through researching and benchmarking best practice, as well as internal and external consultation with project partners, consultees, and stakeholders, considering



global challenges and local opportunities. It will be used to inform key decisions pre-planning submission, as part of the planning application itself and subsequently to guide the delivery and operation of the project.



Inspired by Kate Raworth's Doughnut Economic model, at the centre of the framework (visually represented above) is our social foundation which defines the minimum threshold to sustain a suitable quality of life while the outer boundary is defined by the planet's environmental ceiling. For each, the model sets out a series of themes and sub-themes, for example Climate, and then Whole Life Carbon.

Underpinning the framework are a series of draft KPIs which will be tested by the design team during pre-planning stage, and then subsequently delivered in operation. The most relevant KPIs to be tested through the meanwhile strategy are set out below:

- **Whole Life Carbon** – Net Zero Carbon in Operation and Net Zero Construction
- **Energy Use** – RIBA/LETI 2030 targets, <55kWh/m2/y for commercial space
- **Circularity of Materials** – responsibly sourced materials and >20% recycled content of construction materials.
- **Nature** – 20% biodiversity net gain and species count overtime when compared to similar projects.
- **Sustainable Travel** – decrease in overall vehicle movements in network.
- **Accessibility** – local services and amenities within 15 minute walk of new and surrounding neighbourhoods.

- **Identity** – diversity and quality of form and architecture, architecture fits into local and Cambridge context.
- **Belonging** – community engagement and opportunities for community stewardship.
- **Inclusive** – diversity of population using the meanwhile site.
- **Employment** – jobs created and clear pathways to job opportunities
- **Enterprise** - % procurement of SMEs in construction, % of space allocated to SMEs and alternative tenure models.
- **Lifelong Learning** – multifunctional educational spaces
- **Affordability** – opportunity for community management.

To date, the proposals will look to:

1. **Whole Life Carbon** – Piloting and optimising low embodied carbon structures materials to be used on site
2. **Energy Use** - All-electric heating technology, possibly including heat recovery and passive building design
3. **Energy Use** - Generate renewable energy on-site, including consideration of community microgrid
4. **Circularity of Materials** – Opportunity for reuse of materials both in construction and demolition including exploration of material passports
5. **Nature** - Maximising biodiversity and species habitat
6. **Enterprise** – Provide space for businesses and enterprises working on sustainability & social justice issues in the local area
7. **Sustainable Travel** – Demonstrate future sustainable and active modes of travel

At this early stage of the project, an evidence-based carbon assessment has not been produced. Nonetheless, a Carbon Tracker has also been established by Useful Projects to capture upfront carbon impacts and opportunities for reduction.

SMART OBJECTIVES

Below we have set out 6 SMART objectives in line with the six themes of investment by the CPCA:

1. **Climate & Nature** -The project will utilise at least 5 low-carbon construction materials created by local enterprises or low carbon construction methods, across the two construction phases of the project by setting up a dedicated workstream with our architects, sustainability consultants and other project partners to pursue this



directly. This will help transition local supply chains towards a net zero carbon and reduce the impact of the project on the planet.

2. **Infrastructure** – The project will deliver at least 3,000 sqm of much needed floorspace light industrial space for local organisations by the end of the two construction phases. The master developer team will ensure the delivery through a sound business case, planning application and delivery plan. This will provide new local infrastructure for small organisations to grow.
3. **Innovation** – The project will incubate at least 10 businesses from micro-businesses to SMEs and assist in finding permanent office accommodation in the locality through the lifetime of the project. The master developer team will explore providing other business support such as mentoring and work closely with tenants to ensure suitable permanent accommodation and necessary support is available to help transitions from the meanwhile site to future commercial accommodation in the Core Site. This will help to ensure the growth of community at the Core Site, and economic growth in North East Cambridge.
4. **Health and Skills** – The project will be used by at least 50 different local businesses and community groups over the lifetime of the project. The master developer team, in addition to project partners, will actively promote the scheme, offer incentives in the form of affordable space for rent and hire and have an active engagement programme to entice local organisations to the site. This will help to build human capital and raise quality of life.
5. **Reducing inequalities** – The project will offer educational opportunities to at least 50 people on the site around healthy living and food over the first five years of the project. Educational and training programmes will be offered by our anchor initiatives and promoted by the master developer team. This will help to lead to health and wellbeing outcomes for residents in local wards.
6. **Finance** – The project will ensure that at least 50% of the total floorspace delivered will be made available to local organisations and groups at an affordable rate. This will help local organisations grow by enabling them to re-invest their available funds into other matters than rent such as equipment or staff.

SPECIFIC DELIVERABLES/ OUTPUTS

The project will deliver approximately:

- 250 sqm affordable workspace space
- 1,000 sqm manufacturing and training space
- 900 sqm of food logistics space
- 500 sqm community/event space and other commercial uses
- 5,000 sqm in a variety of soft landscape spaces, including food growing, community gardens and play space



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- Sustainable transport infrastructure including consideration of e-bike docks and electric vehicle charging.

PROJECT OUTCOMES/ IMPACTS

Evidence

Useful Projects have been commissioned to undertake a comprehensive Local Needs Assessment for the wider Core Site, which has helped to form a detailed understanding and baseline of the key socio-economic challenges and opportunities for the communities around the Core Site. It considers the economic and social needs of the residents, employees and businesses in the local area and draws conclusions and recommendations which has helped informed the meanwhile proposals. The full Local Needs Assessment can be shared upon request.

The local needs analysis identified the following outcomes, set out as priorities for the development to achieve over its lifecycle. These have been derived by identifying the most urgent socio-economic needs of the communities in Core Site's immediate surroundings and combining them to form high-level outcomes, or objectives for the development:

- Increase the number of good quality youth programmes on site to improve the social mobility of young people, specifically for those from low-income families to move onto higher education and employment. (Youth aged 4 – 16 years old).
- Increase civic participation for communities previously unengaged (more relatively income-deprived communities who neighbour Core Site have lower engagement).
- Create an inclusive neighbourhood that has a sense of identity and belonging for all groups.
- Improve the sense of inclusion from older people, especially those living alone and in poverty.
- Create good quality local employment opportunities, especially for managers, directors, and senior officials, administrative and secretarial roles, skilled trades occupations, sales and customer service jobs, and process, plant, and machine operatives.
- Improve the mental wellbeing of people living and working on Core Site.
- Decrease the inequality in health outcomes between people in the most and least deprived deciles.
- Decrease the proportion of the population who are considered income-deprived to levels below or like Cambridge (including children and elderly in low-income families), prevent exacerbation of income inequalities.
- Reduce the housing affordability ratio of Cambridge 003B from 14.9, which is above the Cambridge median.
- Decrease levels of food vulnerability (measure combining food insecurity with income deprivation and access to affordable supermarkets).



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- Reduce rates of homelessness and rough sleeping, particularly for single parent households.
- Ensure economic growth is inclusive and representative of the communities they are located in.

Further the report led to several recommendations to address the priority outcomes. These recommendations are not intended to fill the role of a strategy or delivery plan, but instead provide a way forward, and should be amended and shaped as additional work is done, as per the meanwhile proposals:

- Promote healthy behaviours through design, the use of meanwhile space and the selection of organisations who operate on site
- On site construction school with training and apprenticeship opportunities for skilled positions aligned with the transformation of the construction industry.
- Develop green and outdoor active space first to bridge old and new communities and enhance wellbeing of construction workers.
- Provide leisure and private space on site for workers.
- Meanwhile space allocated for community identity-building.
- Construction mentoring programme for target roles (high skilled construction and managerial positions).
- Long-term social mobility programme for youth in collaboration with development partners, local organisations, and schools
- Partner with local businesses for philanthropy and programme support.
- Develop a programme to support those who face barriers to employment.
- Set targets for the number of apprenticeships at each lifecycle stage, targeted at local income-deprived youth.
- Set targets for local employment and spend on local MSMEs
- Pair existing businesses with MSMEs for support.
- Alongside social value delivery plan, develop partnerships with local organisations, education institutions, businesses, and groups to improve educational opportunities.

Key Impacts & Outcomes

The project sets out to achieve several outcomes that align with the need identified above and the key CPCA metrics as set out in the identified strategies, in addition to assisting in delivering on the Drivers to Change as set out and achieve the SMART Objectives. These are outlined further below.



Outcome: Community, amenity, and events space - space for local residents, future residents of the Core Site and visitors to support and promote healthy, thriving, and prosperous communities in line with the objectives of the identified strategy - **Non-Statutory Strategic Spatial Framework**.

Key Metrics:

1. 5% increase in local volunteer hours (CB4) through provision of available and affordable community space
2. Cultivation and creation of 10 new grassroots community groups over the lifetime of the project.
3. Delivering a new mix of uses, including socially rooted industry in otherwise predominantly employment area

Outcome: Employment and commercial space – new diverse employment and commercial space for purpose-driven organisations to boost local productivity and economic output close to existing and future homes in Cambridge North in line with the CPCA’s identified strategies - **Local Industrial Strategy and Local Transport Plan**.

Key Metrics:

4. 25 new employment opportunities generated by new commercial floorspace
5. Over £5m increase in GVA linked to Local Industrial Strategy over the lifetime of the project.
6. 50 new jobs created over the lifetime of the project.
7. Increased supply of workspace through approx. 3,000 sqm new floorspace.

Outcome: Training and education opportunities – training and education programmes through collaboration with our anchor initiatives partners and in line with the identified CPCA **Skills Strategy**.

Key Metrics:

8. Enabling 50 educational opportunities over the first five years of the project.
9. Reduction in 20 NEETs in the Cambridge area through new training and education opportunities.

Outcome: Platform for innovation and sustainability - Collaboration to deliver bold and innovative interventions to make Cambridgeshire and Peterborough, a great place to live, learn and work in line with the CPCA’s identified strategy - **Skills Strategy** - including management, resource efficiency, materials, and transport.

Key Metrics:

10. More innovation through the creation of additional patents in CB4.
11. At least 10 company formations and scale-ups on the site.
12. Diversification of the economy through creation of 10 new businesses formed on the site.



13. Improved clustering impacts leading to 5 new commercial partnerships within the CB4.

Outcome: Tackling inequalities and drive sustainability – Private, public and third sector investment and partnership to tackle deprivation and increase sustainability within North Cambridge through innovative sustainability and delivery strategy in line with the identified strategy - **Non-Statutory Strategic Spatial Framework**.

Key Metrics:

14. 2% reduction in food poverty in CB4 because of new educational opportunities around healthy living and food in first five years of the project.
15. Improved access to training and employment for 50 people in need in CB4.
16. Reduced gap in incomes and life expectancy for at least 50 people in first five years of the project because of educational opportunities.
17. 5% increase in participation in community groups among disadvantages / excluded groups in local area.
18. At least 10 new businesses in working in clean tech and / or climate change.
19. Providing opportunities for innovation through at least 5 low-carbon construction materials used on temporary buildings.

Outcome: Aiding housing delivery – aiding the delivery of housing by engaging local people and building support for the redevelopment of the Core Site project early in the overall programme in line with the CPCA's **Housing Strategy and the Strategic Spatial Framework**.

Key Metrics:

20. Supporting housing delivery in NEC through 1,000 new engagement opportunities on the Core Site
21. Delivering sustainable transport outcomes through low car parking provision and encouraging alternatives close to Cambridge North station.
22. Delivering new infrastructure in form of 5,000 sqm of new landscaping to support the Core Site across lifetime of the project.

Expected Different Impacts by Protected Characteristics and/or income groups

We believe that the proposals will benefit Greater Cambridge and the surrounds in line with the values of the Core Site and specifically being 'Open to All', Including the groups:

- Age
- Disability
- Gender Reassignment
- Marriage and civil partnerships
- Pregnancy and maternity
- Race



- Religion and belief
- Sex
- Sexual orientation

Appendix 4 contains the CPCA Project Outcome Profile Tool (POP) as requested by the CPCA.

DESIGNS

U+I and TOWN commissioned New Practice – an emerging architecture practice with a specialism in community-led and temporary interventions – to undertake a design feasibility study in late 2021 to establish the design vision and test the feasibility of the proposal.

A PLACE OF INNOVATION, PLAY AND EXPLORATION.

Through their work New Practice envisage a place of innovation, play and exploration, built on a series of values statements, including:

1. The Anchor-Use Operators are working to promote social and/or ecological innovation
2. Additional operators and features proposed for the site should encourage the development of community.
3. Innovation, play, and exploration are key themes that should drive the design of the meanwhile use site.
4. Sustainability and resource efficiency are paramount. And should be considered through all design aspects, specification, programming, and energy/waste cycles.
5. The site should have its own unique identity whilst building upon the values of the Core Site.

OPPORTUNITIES & CONSTRAINTS

New Practice considered several opportunities and constraints over the operation of the site, in response to the relocation of the WWTP and future development phases, including:

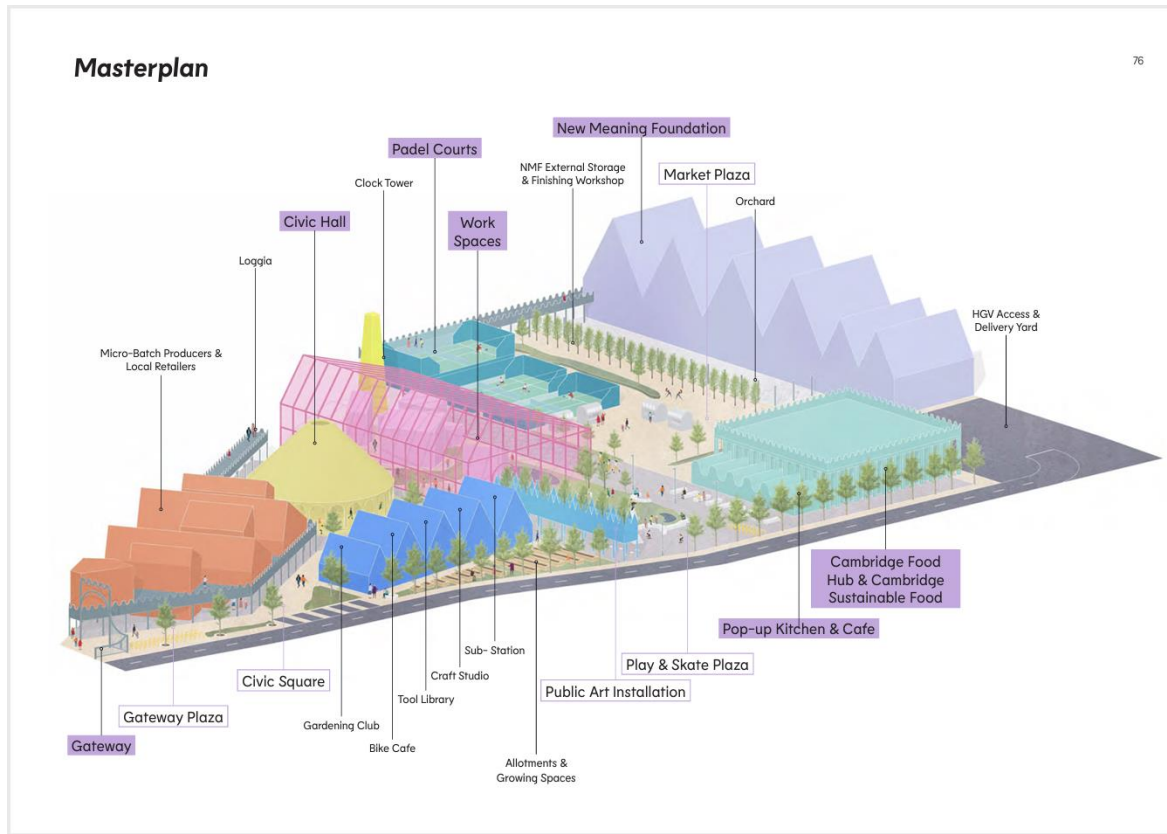
- **Odour Zone** – ensuring compliance with EHO regulations until the relocation of the WWTP
- **Microclimate analysis** – ensuring a comfortable microclimate within the site for users, and potential for energy generation,
- **Cycle connections** – connecting to the existing movement network around the site.
- **Vehicular access** – need for HGV access to the site,
- **Future development phases coming forward** –
 - considering noise and construction traffic during operation of the meanwhile site
 - enabling physical connections with future phases of development and future green infrastructure
 - responding to new populations on the site

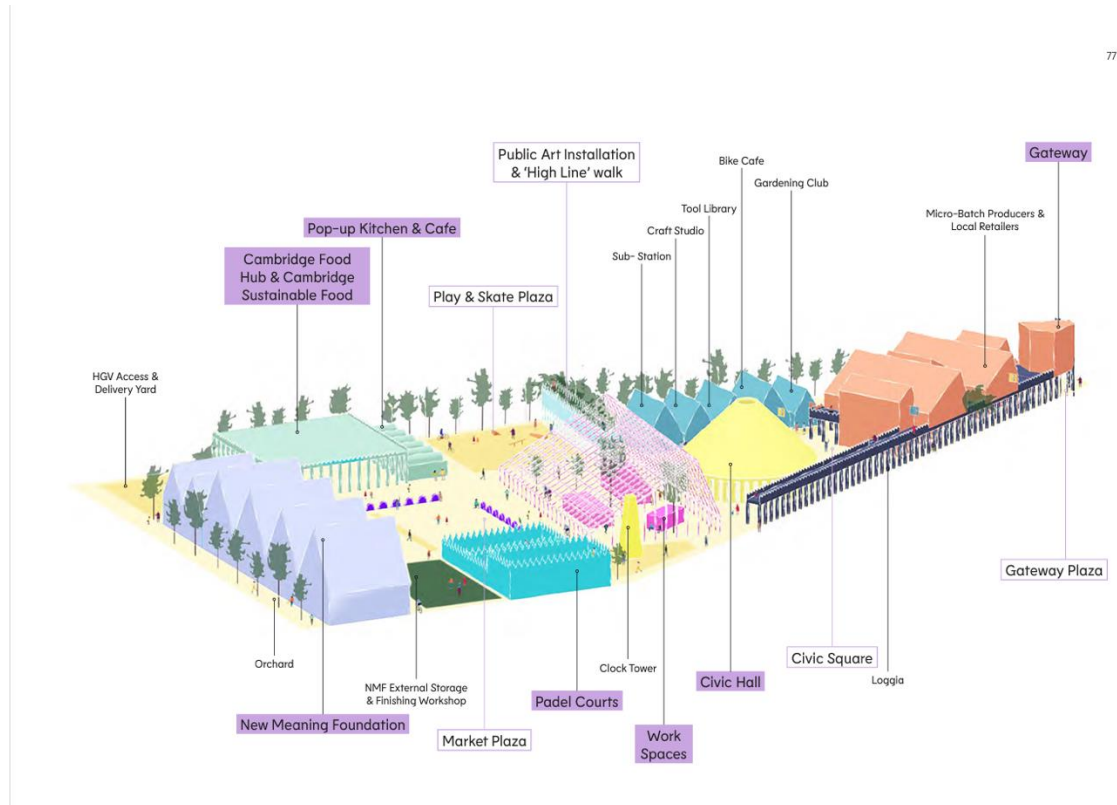


- **Responding to context** – analysis of the wider context, including land uses and surrounds

INITIAL PROPOSALS

Set out below is two axonometric drawings of the proposal by New Practice. This is subject to further design development.





RISKS

The key risks below are taken from the existing risk register for the meanwhile project at the Core Site.

Perceived Risk	Management and Mitigation
Funding availability, including grant funding, affects progress and delivery of anchor uses.	Effective stakeholder and political management, including ongoing dialogue with funding streams.
Delivering the proposal to a budget as a result of unforeseeable events and relevant factors including but not limited to design / specification, construction market, material costs & availability, labour costs & availability.	Ongoing assessment. Contingency set aside in the project budget and procurement strategy to be developed as the project progresses.
Local environmental impacts, i.e., current Odour Zone, and new infrastructure as a result of the WWTP impacts the site and planning process.	Close working with AW relocation team during planning and operation of the Meanwhile uses, and with the Council's environmental health team during pre-planning stages.

Third-party anchor initiatives partners (Food Hub and MMC Factory) do not progress sufficiently with business planning.	Effective monitoring, management and assistance to chosen parties during the business planning phase.
Programme delays cause the third part anchor initiatives to step away from the project.	Effective programme and stakeholder management, including regular catchups and milestone agreements.
Being unable to find a suitable site operator for the site post-completion.	Early engagement with chosen and leading meanwhile operators, including review of the proposals to ensure the proposals develop in line with operator needs and vice versa.
Vacant possession is not achieved in a timely manner.	Ongoing dialogue with the Council's property team and current site tenants.

DEPENDENCIES

The success of the proposals is dependent on several dependencies outside the scope of the programme, specifically:

- **Private sector funding and viability** – ensuring a viable project suitable for private sector funding.
- **Agreement for lease with tenants** – ensuring satisfactory agreement to lease with key anchor initiatives, including timescales and affordability of rent.
- **Vacant possession** – ensuring the site is available for development in a timely manner.
- **Planning approval** – ensuring a satisfactory planning permission within reasonable timescales.



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3 ECONOMIC CASE

INTRODUCTION

The economic case will establish the value for money and look to quantify both the benefits and the costs of the Core Site meanwhile project. As part of this, the project team are undertaking a full Green Book and value for money assessment, and have also looked to scope out the economic benefits, as below:

1. Job creation (direct and supply-chain)
2. Training and partnership opportunity
3. GVA and economic output
4. Business rates
5. Health, Crime and Deprivation
6. Social value
7. Private and public investment

The project team have analysed the data that exists to date to quantify this as far as possible, to demonstrate that the uses proposed for the Core Site meanwhile project are the optimal use of resources available to achieve the desired outcomes.

The development of the Core Site meanwhile use business plan, and the assessment of the criteria included above, have been considered alongside the stated Key Ambitions of the Cambridgeshire & Peterborough Combined Authority:

- Doubling the size of the local economy
- Delivering outstanding and much needed connectivity in terms of transport and digital links
- Providing the UK's most technically skilled workforce
- Growing international recognition for our knowledge-based economy
- Improving the quality of life by tackling areas suffering from deprivation

Further work can be undertaken by the project team to cover any additional information required by the CPCA, upon request.

APPROACH TO ECONOMIC CASE

The approach to the Economic Case is to assess four shortlisted options and undertake a full cost-benefit in line with the latest Green Book guidance on at least the preferred option and potentially other depending on the outcome of the initial assessment.

The proposed appraisal period is fifteen years as this is the lifetime of the project.

Given the scale of the project and the fact that it has clearly defined objectives and a site-specific location (which includes the existing odour zone constraint) it is deemed unnecessary to compile a long list of options as an initial stage. Further it was deemed appropriate that the shortlisted options should focus on different scales of delivery rather than consider alternative types of project



investment. We have described earlier how different uses were considered in earlier iterations and how this project came to be developed.

OPTIONS ASSESSMENT

The four shortlisted options for assessment are:

- **Do Nothing** – The site would remain vacant and un-used until such time the masterplan is able to proceed.
- **Do Minimum** – This would provide some basic affordable workspace (by way of shipping containers). This would meet some of the more basic objectives, but not have the same wider impacts as proposed.
- **Reduced Scale** – a smaller scale version of the full scheme which excluded the New Meaning Foundation building and Civic Hall, workshop space/maker space. There would be just two core anchor tenants and affordable workspace.
- **Full Scheme** – as described in preceding sections.

The table below summarises how each of these options scores against the project objectives set out above. The options have also been assessed in terms of cost and overall contribution to the Core Site development. (Cost scores are negative for higher costs)

Each has been scored on a scale as follows:

Very Large Positive contribution	3
Significant Positive contribution	2
Minor Positive contribution	1
Neutral or no impact	0
Minor Negative contribution	-1
Significant Negative contribution	-2
Very Large Negative contribution	-3

Different weightings can be applied to each of the assessment criteria. Given that cost of the scheme is clearly a very significant consideration we have weighted this x2. Even allowing for this double weighting the preferred option is the full scheme as it is the one that delivers on the overall project objectives the best.

	Do Nothing	Do Minimum	Reduced Scale	Full Scheme
Climate and Nature	-2	0	1	3
Infrastructure	0	0	1	2
Innovation	0	1	1	2
Health & Skills	0	0	1	3
Reducing Inequalities	0	0	1	2
Finance	0	0	1	2
Cost	0	-1	-2	-3



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Core Site Development	-2	0	1	2
Overall Score	-4	0	5	13
Overall Score with Cost weighted x2	-4	0	3	10

We have then prepared a social cost benefits analysis of the preferred scheme against the do-nothing reference case.

As set out in the 'Financial Case' this project is not intended to deliver a commercial return but to deliver social and economic benefits to the local area. As such there is a funding gap with the rental income from letting the space not covering the costs of development.

In Net Present Value terms, at a 3.5% discount rate, the scheme would return a loss of -£3.08m over its lifetime. (2023-2039 is used as the appraisal period).

But the scheme will deliver a number of wider economic and social benefits as set out under the 'Project Outputs/ Impacts' section in Section 2 above. Not all of these can be monetised and some will be described in qualitative terms.

For inclusion in the social cost benefit analysis we have included four benefits:

- Productivity gains from new workspace and innovation activity
- Savings from moving young residents out of NEETs status
- Health savings from reductions in food poverty
- Community benefit from increase volunteering

We set out the assumptions and evidence for each of these categories below. In all cases we have applied conservative assumptions.

Productivity gains from new workspace and innovation activity

Estimates prepared by Lichfield (see below) show £1.98m annual GVA from the impact of the scheme. Whilst there is an argument for including this as a local benefit from releasing supply constraints, in line with Green Book Guidance we have not represented this as an overall increase in employment but a shift to more productive jobs. As such we have only included 10% of this value. We have also applied a persistence factor of just 5 years.

On a localised scheme of this nature factors such as deadweight, leakage and displacement will be low. Correspondingly we have applied a factor of 0.15 for deadweight, 0.1 for leakage and 0.25 for displacement in line with the HCA Additionality Guidance.

This produces an annual benefit of £113,603 for five years.

Savings from moving young residents out of NEETs status

One of the key metrics is reduction in 20 NEETs in the Cambridge area through new training and education opportunities, reflecting one of the key labour market objectives of the project. Data from



the Unit Costs Database shows the annual saving from reduction in a NEET of £10,466¹. Multiplied by 20 gives an annual benefits of £209,320. Again we have just applied this for the first five years of the programme.

Health savings from reductions in food poverty

The link between food poverty and poor health outcomes is well established. Obesity, diabetes, and reduced life expectancy are amongst the outcomes from poor diets associated with poverty. The cost to the health service of treating those with poor health is also significant. The annual economic cost of treating someone with diabetes, for example is £5,570².

Government estimates of those living in food poverty are 6% nationally³. Other estimates are higher. The immediate population of the Core site as defined by the immediate LSOA is 23,841⁴. 6% of this would imply 1,430 in food poverty locally. A reduction in of 2% in this number would mean 29 people not in food poverty. Using the figure of £5,570 as a proxy for the additional cost treating someone in poor health this would result in an annual saving of £159,353. Such impacts will not be immediate and hence we have used this as the final year impact with a steady build up over a fifteen-year period.

Community benefit from increase volunteering

There is an economic and social value to the community from volunteering. Key metric 1 aims to increase the number of volunteering hours by 5%. The national average of people who engage in formal volunteering at least once a month is 17%⁵ and the average number of hours in volunteering is 3.2 per week⁶. Applied to the 16+ population of the immediate locality (19,745). This gives a total of 558,474 hours a year. A 5% increase in this number would be 27,927. One way to represent the value of volunteering is to apply the minimum wage (£10.42 an hour from April 2023). This gives a total annual value of £291,003. Again we would not expect all of this impact to be immediate so we have applied it to the final year with a steady build-up over a fifteen-year period.

The above four benefits represent some of the employment, labour market, health and community objectives of the scheme. There are other important benefits aiding the delivery of the wider Core Site development that have not been included with the monetised social cost benefit analysis, namely:

- Supporting housing delivery in NEC through 1,000 new engagement opportunities on the Core Site
- Delivering sustainable transport outcomes through low-car parking provision and encouraging alternatives close to Cambridge North station.
- Delivering new infrastructure in form of 5,000sqm of new landscaping to support the Core Site across lifetime of the project.

¹ Unit Cost Database – Greater Manchester Combined Authorities Research Team

² Unit Cost Database – Greater Manchester Combined Authorities Research Team

³ Department for Work and Pensions (DWP)'s Household Below Average Income survey cited in Food poverty: Households, food banks and free school meals- House of Commons Research Briefing (September 2022)

⁴ Census 2021 using LSOAs defined in the Core Site Socio-Economic Needs Assessment

⁵ Community Life Survey 2020/21 - DCMS

⁶ Assessing the value of volunteers in Community Business – Nicol Economics for Power to Change (June 2020)



APPRAISAL SUMMARY TABLE

The Appraisal Summary Table set out the results of the social cost benefit analysis. A 3.5% discount rate has been applied with 2023 as the discount year. It compares the impact of the scheme against the do-nothing reference case.

This is not a commercial scheme but one designed to deliver social and economic benefits to the local area of the Core Site in North East Cambridge. These benefits have been set out within this business case and we have valued some of these benefits using conservative assumptions. The value of these benefits is estimated at £3.64m in present value terms against a public sector cost of £0.99m. This give a Benefit Cost ratio of 3.7:1, which represents a high return.

It does however, under-represent the full social value of the scheme as many important benefits have not been valued within these figures.

Appraisal Summary Table

Present Value Costs	£6.11m
Present Value of Public Sector Costs	£0.99m
Net Present Value of Scheme	-£3.08m
Present Value of Benefits	£3.64m
Benefits <i>less</i> Public Sector Costs	£2.65m
Benefit Cost Ratio	3.7
Significant Non-monetised Impacts	<ul style="list-style-type: none"> Supporting housing delivery in NEC Delivering sustainable transport outcomes 5,000sqm of new landscaping

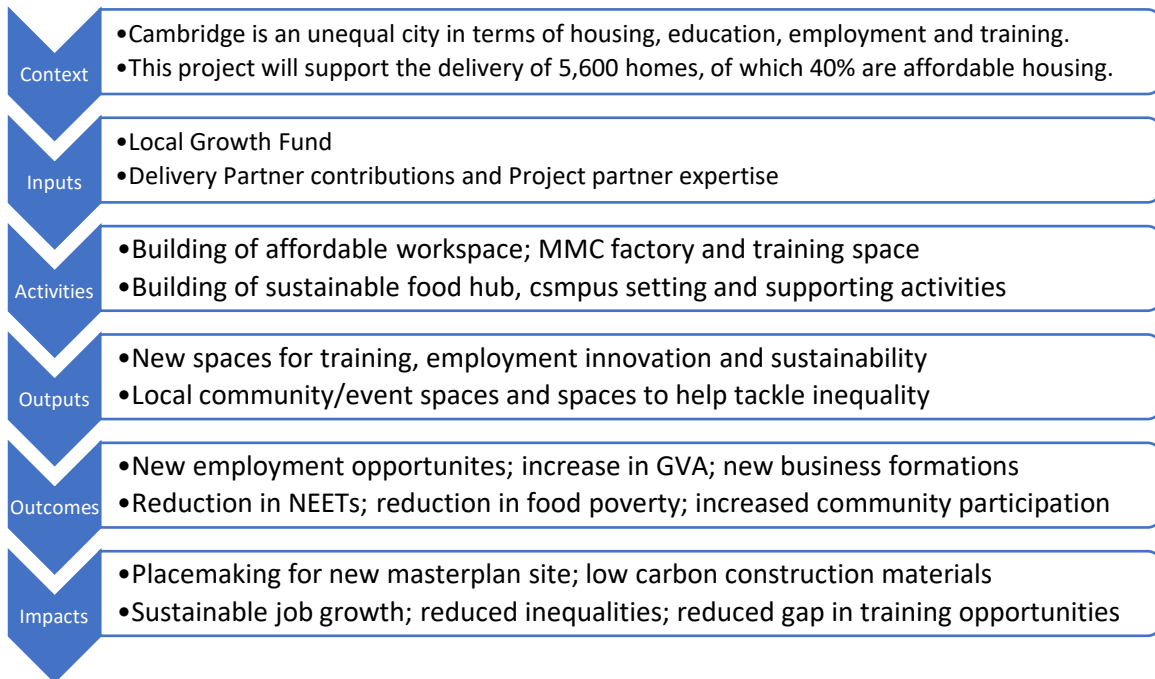
OUTCOME PROFILE TOOL

The completed CPCA Project Outcome Profile Tool (POP) is contained at Appendix 4. The outcomes and impacts it summarises have been described in more detail under section 2 the Strategic Case.

LOGIC MODEL

The completed Logic Model template is set out in Appendix 1. The main points are summarised in the Figure below.





ECONOMIC BENEFITS

The quantifiable economic benefits relating to economic growth and employment impact, and the methodology for calculating these, have been summarised below, the inputs of which have been provided by Lichfields.

Impact	Construction Phase	Operational Phase
Economic Growth	£9.6m direct and indirect GVA (per annum)	£1.98m of GVA (per annum) based on FTE jobs £98,500 business rates revenue (per annum)
Employment Impact	44 direct FTE construction jobs (per annum) 49 indirect FTE construction jobs (per annum)	36 FTE direct operational jobs supported 25 indirect FTE jobs supported in the local region

- Construction GVA – based on Experian data, construction generates an average GVA per FTE worker of £98,052 per annum in the East of England. Construction GVA been calculated by applying this to the number of FTE construction jobs supported. Indirect construction GVA has

been calculated based on an indirect construction GVA multiplier of 2.20, as taken from ONS output tables.

- Operational GVA – the calculation of operational economic output is based on 2020 Experian data (which provides data on GVA per worker in different sectors) and the net additional direct FTE jobs supported.
- Business Rates – business rates have been estimated by applying average rateable values of comparable uses within Cambridge to the floorspace within the development followed by a business rates multiplier of 0.512
- Direct Construction FTE jobs – has been calculated based on HCA Labour Coefficients that estimate the number of FTE years of construction employment per £1m investment, combined with the development construction cost.
- Indirect Construction FTE job – ONS Input-Output Tables indicate that the construction industry has an indirect employment multiplier of 2.11. Indirect construction employment has been calculated by applying to the multiple direct FTE construction jobs supported
- Direct Operational FTE jobs – calculation has been based on average FTE job ratios from the Employment Densities Guide 3rd edition (2015) produced by the HCA applied to Gross External Area floorspace. As no standard density is available for training and community uses, it has been assumed that these uses will support 10 and 5 FTE jobs p.a. respectively.
- Indirect Operational FTE jobs: Based on the scheme and local labour market, an employment multiplier of 1.25 is considered appropriate to estimate both indirect employment for Cambridge, and a multiplier of 1.45 for the East of England. This broadly aligns with the composite multiplier ‘ready reckoners’ as set out in Table 4.12 of the HCA’s Additionality Guide Fourth Edition (2014).

DISPLACEMENT AND DEADWEIGHT

On a localised scheme of this nature factors such as deadweight, leakage and displacement will be low. Correspondingly we have applied a factor of 0.15 for deadweight, 0.1 for leakage and 0.25 for displacement in line with the HCA Additionality Guidance⁷.

Economic Impacts after Adjustments for Deadweight, Leakage and Displacement

Impact	Construction Phase	Operational Phase

⁷ Additionality Guidance 4th Edition – Homes & Community Agency (2014)

Economic Growth	£6.9m direct and indirect GVA (per annum)	£1.14m of GVA (per annum) based on FTE jobs
Employment Impact	25 direct FTE construction jobs (per annum) 28 indirect FTE construction jobs (per annum)	21 FTE direct operational jobs supported 9 indirect FTE jobs supported locally

ECONOMIC COSTS

The financial information provided has been extracted from a financial appraisal that supports the project, the inputs of which have been derived from an initial feasibility design and through conversations with local agents, cost consultants and the U+I construction delivery team.

Cost risk uncertainty has been allowed for by way of the various contingency allowances and a general cost inflation allowance. Optimism bias has been managed through appropriate cost and revenue benchmarking, with adjustments made to reflect the specifics of the project.

Total costs are set out in full within the 'Financial Case' section, below, with total capital cost required to deliver the Core Site meanwhile use equating to £6.58m. Operational costs incurred in the process of managing the meanwhile use are captured within this overall figure.

Key Risks

Key risks for the project have been analysed and are summarised below. A full risk register is provided at Appendix 2 with details on mitigation measures for each risk item.

- Financial risks
 - **Funding** – availability of funding, including grant funding and public sector funding, will impact the progress of the project and delivery of the anchor uses. Effective stakeholder and political management will be undertaken, including ongoing dialogue with potential funding streams.
 - **Inflation and budgetary constraints** – delivering the proposal to a budget will be key, both in terms of base costs and managing the current inflationary environment. This will include managing pressures on design/ specification, material costs/ availability and labour costs. Contingency will be set aside within the project budget to enable an element of flexibility, and close contact will be maintained with the relevant cost consultants.
 - **Viability** – ultimate viability will be crucial to achieving a deliverable and feasible scheme. Viability will be continually monitored, and costs/ values balanced to ensure a viable proposal.
- Planning risks



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- **Planning application** – the risk of refusal would have significant impacts on the delivery of the scheme, causing delays as designs are revisited for resubmission. Close contact will be maintained with the planning authority to ensure this risk is minimised.
- **Environmental** – local environmental impacts, such as the current odour zone and new infrastructure being provided as part of the relocation of the Cambridge Waste Water Treatment Plant could impact plans for the site. We are working closely with Anglian Water and the Council’s environmental health team to manage these.
- **Letting risks**
 - **Anchor initiatives** – there is a risk that third-party anchor initiatives do not progress sufficiently or decide to step away from the meanwhile project. Effective monitoring, management and assistance will be given to the anchor initiatives in the business planning phase to ensure that this risk is minimised as much as possible.
- **Programme risks**
 - **Business planning delay** – unforeseen programme delays may have a direct impact on the anchor initiatives, viability, and overall deliverability. We will look to progress the business plan for the overall meanwhile use quickly to ensure that this can be delivered as planned.
 - **General programme delay** – general programme delays will be mitigated through good communication and close management of the professional team.
 - **Construction delay** – delay in commencing construction, and throughout the construction period, will be managed carefully by the project and professional team.
 - **Vacant possession** – vacant possession is key to unlocking the meanwhile site and there is a risk that any delay to this will directly impact the overall programme. We are maintaining ongoing dialogue with the Cambridge City Council property team, and operator of the existing site, to ensure VP is achieved when required.
- **Operational risks**
 - **Site management** – a specialist meanwhile operator will be key to ensuring the smooth operation of the site in the long-term. Early engagement will be undertaken with leading operators to ensure that proposals develop in line with the operators needs, and vice versa.

NON-QUANTIFIABLE BENEFITS

Non-quantifiable benefits of the Core Site meanwhile project could be extensive, and these are highlighted below:

- **Sustainability and environmental** – the very nature of this proposal is rooted within the provision of dedicated floorspace to service innovative local businesses, working within the sustainability, food, and construction industries. This floorspace will facilitate the growth of a local supply chain that is dedicated to helping tackle the climate emergency and create climate-friendly landscapes.



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- **Health and skills** – making good quality, healthy and sustainably sourced/ produced food more accessible to Greater Cambridge, providing training and educational opportunities in both food and construction, and providing space for innovation will not only improve the quality of lives in the area, but will also help promote technical skills within the workforce.
- **Reducing inequalities** – proposals relating to the reduction of the impacts of food poverty in the region, investment into disadvantaged young people growing their construction skills and opportunities for the promotion of social capital throughout society all align directly with the CPCA ambitions to improve quality of life by helping to tackling areas suffering from deprivation.
- **Innovation** – the Core Site proposals will provide a platform for the growth of local knowledge and productivity around food distribution and modern methods of construction. This will not only contribute directly to the fight against the climate emergency but, once established, will facilitate advancements and innovations in processes to allow both sectors to grow and become more efficient.
- **Impacts on wider Core Site masterplan** – the meanwhile use will sit alongside the wider Core Site masterplan which will bring forward plans for a new quarter of Cambridge to include the provision of 5,600 homes and c750,000 sq ft commercial floorspace. The early uses on site should have a positive impact on the wider masterplan, creating activity and community ‘on the ground’ and will likely have a positive impact on the value to be achieved by the public sector partners on the land sales that will be forthcoming.

SUMMARY

This scheme has a very clear and specific set of objectives related to a specific local site. It aims to put the Core Site to productive use for local economic, social and community benefit whilst awaiting delivery of the masterplan for the wider site. This is not a commercial scheme but requires public and private sector grant funding to deliver the stated objectives.

To value the wider social and economic benefits of the scheme we have applied monetary values to four of the benefits of the scheme:

- Productivity gains from new workspace and innovation activity
- Savings from moving young residents out of NEETs status
- Health savings from reductions in food poverty
- Community benefit from increase volunteering

On the basis of very conservative assumptions the inclusion of these benefits would result in the scheme delivering benefits of £3.64m in present value terms against a public sector cost of £0.99m. This gives a Benefit Cost ratio of 3.7:1, which represents a high return.

The above four benefits represent some of the employment, labour market, health and community objectives of the scheme. There are other important benefits aiding the delivery of the wider Core Site development that have not been included with the monetised social cost benefit analysis, namely:



- Supporting housing delivery in NEC through 1,000 new engagement opportunities on the Core Site
- Delivering sustainable transport outcomes through low-car parking provision and encouraging alternatives close to Cambridge North station.
- Delivering new infrastructure in form of 5,000sqm of new landscaping to support the Core Site across lifetime of the project.

The addition of these benefits means the scheme delivers very high value for money against public sector cost.



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4 COMMERCIAL CASE

INTRODUCTION

The purpose of the commercial case is to ensure the viability and deliverability of the project and ultimately ensure its success against the set objectives. The following objectives have been set relating to the commercial case: Objectives:

- 1) To ensure the overarching objectives are met for the benefit of the wider Core Site project as well as the city.
- 2) To ensure project viability
- 3) To ensure a procurement protocol is adopted in line with that set out in the wider Core Site business plan, which amongst other objectives seeks to:
 - a. Ensure that all providers of services or goods are of high quality, contribute to the success of the project, and help achieve the vision and values.
 - b. Involve local businesses and other local organisations at all stages of the project's planning and delivery
 - c. Operate a clear and transparent procurement approach that offers fair and equal opportunities to all
 - d. Deliver good value for money

PROCUREMENT OPTIONS

Work to date includes a tender for anchor uses in late 2020, a design-led feasibility study in 2021 which has been discussed with the LPA and the Council's environmental health team, and an initial viability appraisal.

The next stages of work, and associated procurement are set out below:

1. Refine design feasibility to RIBA Stage 2 following revisions to the cost plan and development appraisal and enter into provisional agreements with anchor partners and initiate process to find site operator.
2. Finalise strategic business case for the project and seek board approval at both a corporate and project level to proceed.
3. Mobilise the professional team, enter into formal pre-application engagement with the LPA and seek planning consent following public engagement.
4. Undertake detailed design work following planning consent, and analysis procurement routes in line with the Core Site Procurement Protocol which looks to ensure quality, value for money and positive supply chain outcomes by requiring information on the social, environmental, and ethical values of suppliers. The analysis will consider:



- a. Direct delivery by the master developer team
 - b. Design and Build Contract with a Main Contractor
 - c. Traditional Contract with a Main Contract
 - d. Procuring separate packages for individual elements across the site
 - e. Entering a Joint Venture to deliver the project
5. The master developer team will recommend a procurement route for Board approval and a preferred procurement route will be agreed and actioned.
 6. Construction.
 7. Operation until 2039.

DELIVERY OF THE PROJECT

The project will be overseen by U+I and TOWN, who are master developers for the Core Site, and who have a clear, long-term vested interest in its success. In this role, they will be responsible for its planning and delivery, for its funding, and for setting up an appropriate framework of contractual partnering arrangements with the various project partners who will support the project's delivery.

Once delivered, partnering / leasing arrangements will be entered into with several partners responsible for delivering the core components of the project, namely the affordable workspace, sustainable food hub and the MMC factory. As such, these partners will be responsible for delivering the programmes and outcomes, under clear agreements with U+I and TOWN, who will maintain project oversight, direction, and ultimate responsibility.

U+I and TOWN will appoint a suitably experienced operator to manage the project on a day-to-day basis, and to oversee the activities on the ground, working closely with local organisations to deliver the programmes and to co-create and curate the campus setting and supporting uses across the site. It will be this operator who will also be responsible for collecting rent and service charges due and managing tenant relations generally. Nonetheless, U+I and TOWN will have ultimate responsibility for the ongoing operation of the site.

PROCUREMENT STRATEGY

There are several project components that will be procured, these are summarised below along with the proposed procurement process associated.

Design Team: A competitive tender route will follow for all principal design team members and tender returns will be scored in line with the Core Site assessment criteria (quality, price, values). A minimum of three tenderers will be sought per design team appointment. The Development Director will ultimately be responsible for appointment decision making; however, all members of the development team will partake in assessing tender returns.

Operator: A competitive tender route will be followed to establish the most appropriate operator for the Meanwhile Use. A minimum of three operators will be sought to take part in the tender. The



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Development Director will ultimately be responsible for appointment decision making; however all members of the development team will partake in assessing tender returns.

Construction Contract: the appropriate procurement route to establish a contractor partner for delivery of the Meanwhile buildings will be established closer to the time of delivery (and may be influenced by market conditions at the time). Procurement routes for consideration include the following (single and 2- stage tenders will be considered for each route):

- a. Design and Build Contract with a Main Contractor
- b. Traditional Contract with a Main Contract
- c. Procuring separate packages for individual elements across the site
- d. Entering a Joint Venture to deliver the project

The Development and Delivery Director will ultimately be responsible for the appointment of contractors; however all members of the development team will partake in assessing tender returns.

Procurement Policies: Procurement will be carried out in line with the procurement strategy for the wider Core Site project which, amongst other criteria, seeks to ensure that:

- 1) Any contracting parties comply with ethical, sustainability and diversity criteria (alongside cost and competency)
- 2) Contracting parties sign up to a Code of Practice, that includes commitment to sustainable and ethical business practices, recruitment approaches that encourage diversity

Where appropriate includes commitments to specific industry related initiatives (such as Considerate Constructors).



5 FINANCIAL CASE

INTRODUCTION

The purpose of the Financial Case is to demonstrate project viability by setting out the costs, revenue, return metrics and funding strategy associated with the project.

APPROACH TO THE FINANCIAL CASE

Funding

Several funding options have been considered for the project, including from both private (U+I, anchor tenants) and public sources (grant funding). Subject to Board approval most of the funding will be deployed by U+I, (who are part of the Landsec group) in their capacity as Master Developer with the business case for the funding/Meanwhile project tied to the business case for the wider Core Site project.

The financial information provided has been extracted from a financial appraisal that supports the project, the inputs of which have been derived from an initial feasibility design and through conversations with local agents, cost consultants and U+I's delivery team. Below is a summary of key financial inputs :

Costs

- Professional fees of 12% (of the total construction value) have been allowed for in line with industry norm. Fees have been applied from the commencement of planning design through to commencement of construction;
- A professional fee contingency allowance of 2.5% has been made in line with industry norm;
- Letting legal fees have been calculated at 15% (of the total annual revenue) in line with industry norm;
- Construction costs have been informed by cost plan information provided by Measur (cost consultant) and through conversations with U+I's delivery team;
- Included within the overall cost is a 12% allowance for preliminaries overheads and profit, 5% contractor overheads and profit and 5% contingency allowance;
- Construction Inflation has been allowed for at a rate of 6% up until the start on site date of August 2024 in line with inflation advice from Faithful and Gould.
- A marketing allowance of 5% of total costs has been assumed in line with industry norm and starts on commencement of construction and continues 6 months post practical completion.
- A dilapidations and demolition allowance has been assumed for the end of the meanwhile use project;
- A management fee has been allowed for, the rate benchmarked against comparable projects;



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Revenue

- Rental advice has been provided by local agents (and discounted by 50% to ensure affordability)
- A 5% void allowance has been captured in the rental income
- No rental incentives have been allowed for given the affordable rental levels being assumed

Risk and Optimism Bias

Cost risk uncertainty has been allowed for by way of the various contingency allowances and a general cost inflation allowance. Optimism bias has been managed through appropriate cost and revenue benchmarking, with adjustments made to reflect the specifics of the project.

FINANCIAL OPTIONS ASSESSMENT

- Funding is either provided by the master developer, tenants or publicly through the CPCA.
- Public Funding:
 - The benefits of any public funding gained will be passed onto the ultimate beneficiaries (our anchor initiative partners) to enable occupation, through either affordable rents or generous commercial terms. This will allow the successful delivery of the programmes noted within this application.
- Private Investment: Master Developer
 - Like the CPCA funding, a business case is required and will need to be approved by the U+I Executive Committee based on its commercial merits and risks, including financial viability, wider social value, and benefits to the delivery of the Core Site.
- Private Investment: Anchor Tenants
 - This will depend on funds available by each organisation and the investment strategy they choose to adopt.

It is likely that a combination of the outlined funding sources will be adopted to support the delivery of the project, however the majority of funding (including any additional gap funding where required) will be deployed by U+I in their capacity as Master Developer (subject to board approval) given a) availability of funding (access to a large Landsec balance sheet) and b) the business case for the funding/Meanwhile project being tied to the business case for the wider Core Site project.

PROJECT COSTING TABLE

	Financial Year	22-23	23-24	24-25	25-26



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Project Costs	Revenue*	N/A	N/A	N/A	£127,994
	Capital		232,519	£4,089,858	£1,673,336
	Total		£ 232,519	£4,089,858	£ 1,795,330
	Financial Year	22-23	23-24	24-25	25-26
Funding Stream	Funding stream 1 - Private investment		232,519	£3,089,858	£1,676,330
	Funding stream 2 - CPCA grant funding	N/A		£1,000,000	£120,000
			£ 232,519	£4,089,858	£ 1,796,330

**Further revenue costs are borne by the master developer and the anchor initiatives relating to the management and maintenance of the site over the duration of the project to 2039. Anchor initiatives and other tenants will also be charged affordable rents to help repay construction costs.*

The table above shows the **estimated costs at this time** through to completion of construction of Phase 1, and the first ten months that the site will be fully operational to March 2025. Specifically, it covers Stages 1-6/7 as set out at 4.1 Procurement Options and initial management costs.

It is envisaged that most of the private investment for this project will come from the master developer team (U+I) subject to board approval, the case for investment is linked to the wider Core Site project which U+I hold a master developer role on and are invested in for the long-term

The Core Site meanwhile strategy, which this PID covers, has been progressed and funded by U+I and TOWN and with the support of our anchor initiative partners since initial tender in September 2020 and formulation in early 2021. The strategy delivers on references made within the Master Development Agreement between U+I and Cam4LLP (Anglian Water and Cambridge City Council) and is supported further by the agreed Core Site Business Plan. As such, it has full support of both our landowner partners (Anglian Water and Cambridge City Council) and master developers (U+I with TOWN) and therefore there is confidence that private funding (as outlined above) will be committed as required.

The benefits of any public funding gained will be passed onto the ultimate beneficiaries (our anchor initiative partners) through either affordable rents or commercial terms, thereby enabling the successful delivery of the programmes noted within this PID. It should be noted that the private investment will be committed on a cost-neutral basis, i.e. any private investment would be recouped



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over the operation of the project but no profit would be sought for elements benefiting from any public funding. If any profit-making uses are delivered on the project, it is envisaged that they will further help to subsidise other uses.

In terms of the master developer funding, similar to the CPCA funding, a business case is required and will need to be approved by U+I Executive Committee based on its commercial merits and risks, including financial viability, wider social value and benefits to the delivery of the Core Site,. U+I have a longer-term interest in the wider Core Site project (of which the Meanwhile Use is a crucial early phase) and therefore financial commitments to the Meanwhile Project will be considered considering this. In terms of the anchor tenants, this will depend on funds available by each organisation and the investment strategy they choose to adopt. This process will run simultaneously with the process of the CPCA as per this PID and it is envisaged that the same fundamental business case will be used to secure both private and public funding.

For clarity, Homes England has committed £227m funding through the Housing Infrastructure Fund for the relocation of the Cambridge Waste Water Treatment Plant by Anglian Water to enable the delivery of homes on the Core Site and the surrounding sites. This funding only relates to the relocation and is not attributed to U+I and TOWN as the master developers of the Core Site and by extension this meanwhile project.

PROJECT COST BREAKDOWN TABLE

Sources	Value	Uses	Value
Combined Authority	£1,120,000	Operating Costs and Management Fees	£484,288
		Development Costs	£6,095,712
Private sector co-funding	£5,460,000		
		Total Uses	£6,580,000
		Revenue	£4,139,695
Total Sources	£6,580,000	Total Uses less Retained Cash Balance	£2,440,304

AFFORDABILITY ASSESSMENT

Affordability Assessment

The project does not return financial metrics that would typically be sought within the industry (such as 20% profit on cost, 17% profit on sales, 14% IRR etc) because the principal aim of the project is not



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to make a financial return, but for the benefits of the project to be felt from a social and economic perspective.

Where possible revenue streams will be sought to make the project as self-sustaining as possible (without compromising affordability), however at present there remains a c£2.4m gap before the project costs are commensurate to the revenue generated. A total of £1.12m of this gap is being sought via this CPCA grant application, with the balance proposed to be funded by the private sector (subject to relevant approvals).

Any scope to increase the funding commitment from the CPCA to ensure the swift delivery of the meanwhile site would be welcomed, and further conversations could take place if this possibility was realisable.

Stakeholder Support

- The project has full support from several partners and collaborators including:
 - Cambridge 4 LLP (Anglian Water and Cambridge City Council)
 - All three anchor tenants (New Meaning Foundation, Cambridge Sustainable Food, Cambridge Food Hub)
 - U+I (Master Developer)
 - TOWN (Master Developer partner)

Financial risk

Professional fees: there is risk that professional fee costs may increase during both the planning and delivery phases if substantial re-design is required or the programme becomes protracted. To mitigate this, there will be careful management of the design process with a comprehensive consultation plan to ensure all relevant stakeholders are engaged early to avoid/ limit re-design work. Whilst a contingency allowance of 2.5% has been allowed for professional fees in the financial appraisal, both U+I and TOWN are experts in managing projects of this scale (and significantly larger) and are confident in ensuring no creep in the cost of professional fees.

Construction costs: there is a risk that construction costs may rise between now and the anticipated start on site date. To mitigate this an allowance of 6% has been made for construction cost inflation. There is also a risk associated with general cost rise due to design complexity, to mitigate this a general contingency allowance of 5% has been made.

Revenue: Loss of income through letting voids or a reduction in demand for space are also financial risks associated with the project. To ensure loss of revenue (though unlet space) is mitigated we would envisage securing pre-lets with anchor initiatives prior to construction (by way of Agreement for Leases). A void allowance of 5% has been allowed for within the financial appraisal. In circumstances where space is not let and empty rates may become payable we would seek to optimise rate dispensation options and rate mitigation measures to avoid these costs

CHARGING MECHANISM/ CLAIM AND INVOICE PROCESS

U+I will implement an invoicing protocol which will involve:



- Raising Purchase Orders (PO) against cost line items
- Requesting invoices on a set date each month (with PO number, invoice number, total invoice amount and a brief description of work to be included)
- U+I will process the invoices monthly (assessing invoice amounts against agreed fee cash-flows) and payments will be authorized by the Senior Development Manager, Development Director, and Senior Development Director.
- Invoices will be paid within a 30 day period



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6 MANAGEMENT CASE

INTRODUCTION

The purpose of the management case is to set out project timescales for delivery, exit strategy for U+I and TOWN, and note any change and project management structures.

PROJECT TIMELINE

We have set out expected project milestones and critical dependencies within the delivery timescale of the project below:

1. **Q3 2022** - Host summer engagement event, undertake informal pre-application engagement with the LPA and relevant consultees. Scope out procurement strategies and undertake soft-marketing testing with occupiers and operators.
2. **Q1 2023** - Refine design feasibility study and associated viability appraisal, enter provisional agreements with anchor partners and initiate process to find site operator.
3. **Q3 2023** - Planning submission.
4. **Q2 2024** – Resolution to grant received.
5. **Q2 2024** - Commence construction phase.
6. **Q4 2024** - Completion construction phase, and site fully operational.
7. **Q1 2033 - Q1 2039** - Ongoing rotation and converting of tenants, including transferring to a permanent home within the Core Site as it is delivered. Scaling of businesses and programmes within the site too.
8. **Q2 2039** - Dismantling and recycling of the project.
9. **Q1 2043** - Delivery of residential uses on the meanwhile site.

A full project programme of the planning stages of the project are available in a Gantt format at Appendix 3.

EXIT STRATEGY

U+I and TOWN will retain oversight of and responsibility for the project over the full duration of its development and operation phases, supported by Cambridge City Council as the site's landowner.

During the operation phase of 15+ years, U+I/TOWN will ensure the implementation of a full operation and maintenance programme for the project. This will be delivered through:

- Operation and maintenance of the anchor initiatives and associated buildings and facilities by the anchor initiative tenants, as set out in the relevant lease agreements
- Operation and maintenance of other elements by the site operator, as set out in the relevant lease / operator agreement



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- Any necessary operation and maintenance costs not covered by the above will be the responsibility of U+I/TOWN.

At the end of the operation phase, the lease agreements with the anchor tenants and site operator will end. Where possible and appropriate, tenants will be offered the opportunity to move to more permanent facilities within the Core Site development. At this stage, the project will be fully dismantled and the land will revert to the landowner, becoming available for use within the Core Site project.

CHANGE MANAGEMENT

Subject to further clarification from the CPCA, the project will either use the same change management process and tolerances as set out in the 10-point guide and Risk Management Strategy or set out its own change management process.

PROJECT MANAGEMENT

Project Director: (this is not necessarily the CPCA Director, this may be the chair of the Project Board and the person in charge of day to day decisions of the project)

- Ben Cartwright, Development Director at U+I

Internal Project/Programme Manager: (each project must have an internal CPCA staff member/interim):

- Chris Bolton, Head of Programme Management Office at Cambridgeshire, and Peterborough Combined Authority

External Project/Programme Manager (if applicable or known):

- James Cox, Development Manager at TOWN

The Core Site project has an existing Project Board which meets quarterly and is attended by directors of Cambridge 4 LLP, comprising Anglian Water and Cambridge City Council, as well as directors and representatives of U+I and TOWN.

Separately, the board of Cambridge4LLP meets quarterly and from that Cambridge City Council directly reports to the CPCA on matters relating to the Core Site project on an annual basis.

Whilst ideally, the meanwhile project would be incorporated into the existing reporting structure of the wider Core Site project we understand that a new board would likely have to be set up to include representation and voting rights by Chris Bolton of the CPCA as Programme Manager. We would therefore look to set up a separate project board to take place on the same day, and in a similar manner to that of the Core Site project board with attendees from Cambridge4LLP and U+I and TOWN.



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R = Responsible A = Accountable C = Consulted I = Informed	Organisational Role	Director (Senior Responsible Officer)	Project Director	Project Manager	Consultant Team	Project Board	Members Group
Decisions/Activities							
Project initiation		C	R	R	C	A	I
Delivery of the project		C	R	R	C	A	I
Changes to cost and programme		C	R	R	C	A	I
Project closure		C	R	R	C	A	I

RISK MANAGEMENT STRATEGY

The Core Site project has an existing risk management strategy which reflects the corporate risk approach of both TOWN and U+I. It ensures the early identification, classification, quantification, and mitigation of risks. It is proposed to utilize the same approach for Meanwhile at the Core Site.

It proposed that this approach would be ratified at the first new board meeting of the Meanwhile at the Core Site as set out above.

STAKEHOLDER PLAN

There will be a detailed stakeholder engagement strategy for the project, which will reflect and be intertwined with the engagement strategy for the wider Core Site project.

The communication strategy for this project has the following objectives:

- Reflect and implement the Core Site project's values in action including the "Shaped by Many" value specifically.



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- Ensure residents, businesses, community groups and other stakeholder groups are informed about all proposals and can feed into the project.
- Ensure the scheme's positive merits are clearly communicated to political and community stakeholders, encouraging people to continue to engage with it over the period of its operation, and driving meaningful engagement with forthcoming planning applications.
- Seek and act positively on feedback on the proposals from a wide range of stakeholders and members of the community.

The table below has been adapted from the Core Site engagement strategy and sets out key internal and external stakeholders and their role, in addition to setting how we plan to engage with them. Much of the engagement will utilise existing channels of communication because of the meanwhile project forming a workstream within the wider regeneration of the Core Site project:

Stakeholder category	Stakeholder description and examples	How we will engage
Core Site landowners	Cambridge City Council and Anglian Water.	Engagement through usual Core Site mechanisms, including securing approval for the strategy, agreement of lease for the site, and monitoring of project implementation.
Government / national	Homes England	Engage with key government stakeholders through usual Core Site reporting.
Project delivery partners	Cambridge Sustainable Food, New Meaning Foundation et al	Engagement underway since 2020 and ongoing. Will include partnership agreements, terms of leases etc.
Nearby landowners	Owners of nearby land who may be affected by the project	Engage through established NEC Landowners Forum hosted by the Greater Shared Cambridge Planning Services and ad-hoc meetings as required.
Decision- makers and key influencers	Individuals in positions of influence or who will have a decision-making role in relation to the project, for example elected members, MPs etc.	Utilise Political Briefings within existing Core Site mechanisms to engage with local members.



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		Meetings as required with officers and directors, to be organised through the Senior Responsible Officer.
Local organisations	Local schools, universities, business organisations, employers, health organisations, NGOs, resident organisations, etc	Engagement through established Core Site engagement processes.
Statutory consultees	Organisations who have a statutory role through the planning process.	Engage through the planning process.

Local community	'The public' – individuals and organisations representative of the local community	<p>The project will be part of all channels of engagement that are being operated as part of the Core Site engagement strategy, including:</p> <ul style="list-style-type: none"> - Project launch programme including webinars and roadshow (underway) - Ideas Exchange (a forum for dialogue with several demographically representative people from the local area that will be in place for the coming two years) - A programme of school engagement - A week-long design festival in September 2022 and annually thereafter - An online engagement platform which forms part of the Core Site website and allows ongoing dialogue <p>In addition to these, there will be a specific programme of public engagement with specific focus on this project in summer 2022 to review and influence a forthcoming planning application for the project.</p>
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ENGAGEMENT TO DATE

In 2021, proposals for *Meanwhile at the Core Site* were consulted on with a range of local stakeholders and consultees as part of the wider Core Site engagement plan. This included over 40 local stakeholder's interviews whereby U+I and TOWN presents the proposals alongside the vision for the project to local stakeholders in the city. Feedback from these sessions was positive and helped affirm the meanwhile proposals. It helped to influence some of the elements of the strategy, such as the campus setting as well as ongoing management capability.

In 2022, *Meanwhile at the Core Site* again featured as part of the wider engagement. This took the form of first a series of online, public webinars in March and as part of a week-long design festival



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called People, City, Planet in September held at Shirley Primary School in North Cambridge. Below we've set some key stats in relation to the festival and feedback received:

- *Marketing* –
 - **Mailshot** delivered to 18,000 homes
 - **Radio** interview aired and recurring advert played 2,300 times on Cambridge 105.
 - **Cambridge Independent** quarter page ad in paper from 12-29 October
 - **Mailchimp** - three emails sent to 226 people.
 - **Personal Stakeholder Emails** issued to approximately 40
 - **Paid Social Media Advertising** through which ~6000 people visited site.
- *Stats* –
 - 420 attended the festival over two days
 - 93 attendees of specific talks, workshops, and panel discussions
 - 49 feedback forms completed

As set out above, further engagement will continue to take place during both the planning, delivery, and operation stage of this project.

ASSURANCE

The project will align with the CPCA Local Assurance Framework (March 2022) to ensure accountability and transparent decision making through the Project-, Risk- and Stakeholder-Management set out above, and the Monitoring and Evaluation set out below including any gateway reviews. This will be ratified at the first Project Board meeting of Meanwhile at the Core Site.

Meanwhile at the Core Site will be audited at Project Board at key stages as set out in the Project Timescales, including during the procurement and delivery phase of the project.

SUPPLY SIDE CAPACITY AND CAPABILITY

At this time, U+I and TOWN foresee no supply side or capability constraints which cannot be dealt with within the management as set out above.

KEY CONTRACTUAL AGREEMENTS

There are several key contractual agreements that will be required to ensure successful delivery of the proposals, specifically:

- **VP & Land** – agreement with CCC as landowner, and timely vacant possession to ensure deliverability.
- **Agreement to lease** – agreement with anchor initiatives and smaller organisations on premises, including affordable rent, programmes, timescales and yield up.
- **Professional team** – details set out in Procurement Approach.
- **Construction contract** – details set out in Procurement Approach.
- **Site Management** – details set out in Procurement Approach.

MONITORING AND EVALUATION



The project will be monitored and evaluated in line with the SMART Objectives as set out in line with the six themes of investment, and the economic benefits as set out. A fuller evaluation strategy will be devised by U+I and TOWN as the project progresses in conjunction with the CPCA.

The project will be monitored and evaluated by the Project Board on an annual basis at least. The evaluation will be informed by work undertaken by the selected Site Operator who will directly liaise with anchor initiatives as required, and work by CAG (or similar) to understand the actual economic benefits of the project once realised against the initial value for money assessment. Further staged evaluations at key project milestones, as set out in the Project Timelines, will also take place at the Project Board.

The Site Operator will draft a digital survey to be agreed at the Project Board before implementing. Interviews may also be conducted with anchor initiatives, site visitors and local residents to understand the qualitative impact of the project.

The economic evaluation by CAG (or similar) will be conducted in line with the metrics outlined in Economic Case, including but not limited to job creation, training, and partnership opportunities and GVA.

**TOWN.**

7 APPENDICES

1. Appendix 1 – Logic Model
2. Appendix 2 – Completed Project Plan (Gantt Format)
3. Appendix 3 – Completed Risk Register
4. Appendix 4 – CPCA Project Outcome Profile Tool (POP)



TOWN.





U+i

TOWN.

love every drop
anglianwater



Market Towns Programme – Approval of Project Proposals (Funding Call 9 – January 2023)

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 January 2023
Public report:	Yes
Lead Member:	Councillor Anna Smith, Statutory Deputy Mayor
From:	Domenico Cirillo, Business Programmes and Business Board Manager
Key Decision:	Yes
Forward Plan ref:	KD2022/077
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">(a) approve the project proposal received under Market Towns Programme from East Cambridgeshire District Council for the town of Littleport to the sum of £1,000,000;(b) approve the project proposal received under Market Towns Programme from Fenland District Council for the town of Whittlesey to the sum of £260,000;(c) note that the Whittlesey Town Projects proposal will be reviewed and agreed by CPCA Programme Audit & Risk Committee (PARC) to the sum of £195,000;(d) approve the request received from Fenland District Council to extend the grant longstop completion date for the Fenland Market Town Parking Management project from 31st March 2024 to 31st December 2025.
Voting arrangements:	<p>A simple majority of all Members present and voting. To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 To seek Combined Authority Board approval of two bid proposals received from East Cambridgeshire District Council for the market town of Littleport (E-Space North and Capital Investment Fund).
- 1.2 To seek Combined Authority Board approval of a bid proposal received from Fenland District Council for the market town of Whittlesey (Relief Road Strategic Outline Business Case).
- 1.2 To seek Combined Authority Board approval to extend the grant longstop completion date for the Fenland Market Town Parking Management project from 31st March 2024 to 31st December 2025. This is to enable sufficient time for completion of the traffic regulation order review, preparation of detailed works packages, works procurement and for the remedial sign and line works to be undertaken during favourable weather conditions.

2. Background

- 2.1 The CPCA are committed to helping their region's market town to thrive and are investing to ensure towns remain vibrant and thriving places. This commitment included the production of a Masterplan for each of the key market towns (based on new research and analysis required to deliver the bold growth ambitions) and their interventions hereby enshrine the importance of inclusive growth, in line with Cambridgeshire Peterborough Independent Economic Review (CPIER) and Local Industrial Strategy (LIS) recommendations.
- 2.2 Cambridgeshire & Peterborough Combined Authority funding of £13.1m was allocated across the market towns, with district authority leads able to bid for capital funds for each town. Proposals are invited to support the mobilisation of each Masterplan and against activities which address the needs and those interventions identified as required to drive targeted growth and regeneration of each town in a post Covid-19 pandemic economy.
- 2.2 All project proposals are independently appraised where the strategic need, economic and commercial case is assessed against an agreed set of appraisal metrics. Appraised applications are scored based on programme criteria set and must achieve a minimum pass mark to be recommended for Combined Authority Board approval.

3. Funding Call 9 – January 2023

- 3.1 The following bids are recommended for Combined Authority Board approval. A copy of the independent Appraisal Report is included as Appendix 1 to this report:
 - **E-Space (North), Littleport** – the application was submitted by East Cambridgeshire District Council who own and manage this well-established Business Centre. This project will address the shortage of suitable workspace in the town and deliver approximately 580 sqm extension to facilitate the creation of new direct and associated jobs. Match Funding, Design, and Planning consents have yet to be obtained / completed and reflected within the appraisal recommendations. (CPCA grant requested £925,000).

- **Capital Investment Fund, Littleport** - this application aims to create a small capital grant pot to enable the District Council to enhance frontages or buildings that will improve the general appearance of Littleport's Town Centre area. An appropriate monitoring framework devised to assess the project's impact is still to be confirmed. (CPCA grant requested - £75,000).
- **Whittlesey Relief Road, Strategic Outline Business Case** – prior to developing a project which could be successful in receiving public sector funding (via CPCA, DfT or other sources) is the need to develop a suitable Business Case which includes a detailed value for money 3 assessment on the need for public funding. A full procurement exercise will be required to appoint suitable consultants and finalise the study's cost. (CPCA grant requested - £260,000).

- 3.2 **Whittlesey Town Projects** – agreed with the CA Board on 30th November, this funding application is split into four mini-projects namely, Community basketball / tennis / netball improvements; Whittlesey Market place improvements; Heritage Library display; and the Manor Leisure Centre Solar PV improvements. Application will be reviewed by the CPCA Programme Audit & Risk Committee (PARC) with approval conditional on confirming outputs and match funding for the project. (CPCA grant requested - £195,000).
- 3.3 The total grant requested from the CPCA Market Towns Programme under Funding Call 9 is £1,455,000. The overall total funding awarded to date under the Market Towns Programme is £12,297,850 (94% allocation against £13.1m budget) with a portfolio of 51 projects.
- 3.4 Total of £802,150 remaining for the towns of Huntingdon & St Ives, and Huntingdonshire District Council will be submitting their final proposal against the £802,150 for CA Board consideration in March 2023.

4. Project Change Request

- 4.1 Fenland District Council have submitted a request for the CPCA Fenland Market Town Parking Management project grant longstop completion date to be extended from 31st March 2024 to 31st December 2025. This project aims to improve market town parking accessibility by seeking to introduce Civil Parking Enforcement across the Fenland District.
- 4.2 The extended longstop is to enable sufficient time for completion of the traffic regulation order review, preparation of detailed works packages, works procurement and for the remedial sign and line works to be undertaken during favourable weather conditions. The County Council and their appointed framework contractors do not have sufficient internal resources to complete the required tasks within the current funding deadline with completion of this fundamental task being outside of Fenland District Council's control.
- 4.3 The County Council have advised that the Traffic Regulation Order (TRO) review and preparation of detailed works packages will take 15 months to complete. Work on the detailed design works packages is now scheduled to commence in January 2023.

Significant Implications

5. Financial Implications

- 5.1 Financial approval is requested for £1,455,000. This will be funded by budget allocated for Littleport (£1m) and from the recycled funding from the cancelled Whittlesey Heritage Centre project. Payments to fund approved projects will be subject to the conditions as set out in the assessment report being met and signed funding agreement in place.

6. Legal Implications

- 6.1 A subsidy control assessment will be conducted in consultation with the legal team on all projects. The Combined Authority maintains the legal agreements with the project delivery bodies.

7. Environmental & Health Implications

- 7.1 None.

8. Other Significant Implications

- 8.1 The Market Towns Programme is a substantial commitment being made between the Combined Authority and the local areas, with scope for significant impacts on the growth of the local sub-economies. Successful delivery will have positive benefits to residents, community groups, and businesses and workers from across Cambridgeshire and Peterborough.

9. Appendices

- 9.1 Appendix 1 – Independent Project Appraisal Report (MTP Funding Call 9 - January 2023)

10. Background Papers

- 10.1 None.

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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

**MARKET TOWNS PROGRAMME
Investment Prospectus**

Appraisal Report

January 2023

Hewdon Consulting 

**Hewdon Consulting
Kemp House
124 City Road
London
EC1V 2NX**

www.hewdon.com

Registered in England No. 4187876

DISCLAIMER- This report is provided solely for the purpose for which it is commissioned by the person to whom it is addressed. No liability is accepted for its use for any other purpose or by any other person.

1. Cambridgeshire & Peterborough Combined Authority issued its fourth call for Market Towns funding projects with **four applications** received by the agreed timescale.
2. We were asked to act as the independent assessors for the call and this report is prepared to assist the Entrepreneurial Advisory Panel (EAP) conduct its review before the bids are presented onto the Combined Authority's Board for a decision on each project.
3. **Strategic Fit.** All projects followed directly from the completion of their respective town masterplan which were produced in line with CPIER and LIS recommendations. Most projects were therefore able to find strong alignment with them, so the Strategic Fit score is less useful as a criterion for distinguishing between bids.
4. **Leverage / Resources.** Match funding was extremely thin on the ground with no projects able to demonstrate a 50% match or greater and many requesting 100% funding. Typically, we placed less value on contributions in kind and placed more weight on direct cash contributions. However, the in-kind contributions were still included in our assessments.
5. **Value for Money** This was especially difficult to assess, given the paucity of information supplied. In many cases no output information was offered. Because of the value of public funding being requested, it is vitally important that each application demonstrates a competitive cost per outcomes.
6. The projects each covered different areas of activities that we have summarised in the table below:

PURPOSE	Number	Value
Place making	2	£270,000
Transport Improvements	1	£260,000
Community Safety	0	0
Capacity Building	1	£925,000
TOTALS	4	£1,455,000

7. The relatively small number of projects in this round allows time to expand on the Scoring matrix and included a summary of our review of each project
8. **E-Space (North), Littleport** – The application was submitted by East Cambridgeshire District Council who own and manage this well-established Business Centre. This project will address the shortage of suitable workspace in the town and deliver approximately 580 sqm extension to facilitate the creation of new direct and associated jobs. Match Funding, Design, and Planning consents have yet to be obtained / completed.
9. **Capital Investment Fund, Littleport** - This application aims to create a small capital pot (£75,000) to enable the District Council to enhance frontages or buildings that will improvement the general appearance of Littleport's Town Centre area. Match funding is still to be confirmed and an appropriate monitoring framework devised to assess the project's impact.
10. **Whittlesey Relief Road, Strategic Outline Business Case** – Prior to developing a project which could be successful in receiving public sector funding (via CPCA, DfT or other sources) is the need to develop a suitable Business Case which includes a detailed value for money assessment on the need for public funding. A full procurement exercise will be required to

appoint suitable consultants and finalise the study's cost.

11. **Whittlesey Town projects** - This funding application is split into four mini-projects namely, Community basketball / tennis / netball improvements; Whittlesey Market place improvements; Heritage Library display; and the Manor Leisure Centre Solar PV improvements. The application appears to indicate that further match funding is available but offers no outputs.
12. As part of the appraisal process queries were sent on each of the four applications on the 20th December. Replies were received on three of the projects enabling these comments to be incorporated into this report. No reply has been received from Fenland District Council on the Whittlesey Town Projects.
13. The reply from East Cambridgeshire District Council (ECDC) on the E-Space North project confirms that the project has been compiled with advice from specialist consultants, lawyers and stakeholders including the local MP when the project was included as a component of the Levelling up fund bid back in July. If the bid is successful, the scope of the development will be widened further to incorporate community space making it a more ambitious project.
14. The reply from ECDC on the Capital Investment Fund, Littleport addressed our concerns over the lack of measurable targets, rationale for offering 100% grants and status of the match funding. ECDC have confirmed the following:

measurable targets – 'We have estimated 10 businesses applicants. Footfall can be measured using public Wi-Fi as a benchmark.'

rationale for 100% grants – 'We have tried approaching this from a 'matching funding' perspective from the applicant but had very poor uptake. We changed the Board approved Ely Scheme. to eliminate the match funding and have so far had in excess of 80% applications.'

status of match funding – 'subject to this application being successful and the town councils approval.....offered during consultation with the town council chair to bring the fund up to £100k if it is actually needed.'

15. Following these replies, we have recommended the following:

- **Three** projects for approval: -

East Cambs - E-Space (North), Littleport

East Cambs - Capital Investment Fund, Littleport

Fenland - Whittlesey Relief Road, Strategic Business Case

- And a Conditional approval of **One** project subject to more information being provided: -

Fenland - Whittlesey Town projects

16. The detailed recommendations are set out in the next section. This report should be read in conjunction with the appraisal matrix for each project which is provided as a separate attachment.

App No.	Applicant	Project	Grant Requested	Recommendations
1	East Cambridgeshire District Council	E-Space (North), Littleport	£925,000	Approval for the requested amount of £925,000 subject to the following conditions: 1. Confirmation of matching funding. 2. Confirmation that any capital cost overrun will be met by East Cambridgeshire DC 3. An appropriate monitoring framework be agreed to assess the project's job creation. 4. Confirmation of planning approval 5. Submission of the following Full Business Case, subsidy control advice & risk assessment.
2	East Cambridgeshire District Council	Capital Investment Fund, Littleport	£75,000	Approval for the requested amount of £75,000 subject to the following conditions: 1. Confirmation of all matching funding. 2. Submission of an appropriate monitoring framework based on number of businesses supported and town centre footfall.3. Submission of a risk assessment.
3	Fenland District Council	Whittlesey Relief Road - Strategic Outline Business Case	£260,000	Approval for the requested amount of £260,000 subject to the following conditions: 1. Confirmation that Fenland DC 2 will meet any capital cost overrun. Copy of the tender brief and summary of the tender selection process.
4	Fenland District Council	Whittlesey Town projects	£195,000	Conditional approval of the amount request £195,000 subject to the following conditions:: 1. Confirmation of the matching funding that is being sought from the FCC communities foundation. 2. Confirmation that any capital cost overrun will be met by Fenland DC 3. Submission of appropriate outputs and monitoring framework to enable each of the four mini-projects to be assessed. 4. Submission of a risk assessment.
	TOTAL		£1,455,000	

Market Towns Programme Investment Prospectus

Application Appraisal Matrix (summary)

Weighted Score (max 99 available)				
Minimum pass is 74 marks (75%)				
Project Title / Town:	East Cambs -E-Space (North), Littleport	East Cambs - Capital Investment Fund, Littleport	Fenland - Whittlesey Relief Road, Strategic Business Case	Fenland - Whittlesey Town projects
Criteria	Mark - Edit	Mark - Edit	Mark - Edit	Mark - Edit
Rationale	4	4	6	4
Timescales	4	4	6	4
Activities/Milestones	2	2	3	2
Delivery Arrangements	6	9	9	9
Outputs/Outcomes	15	10	15	10
Strategic Fit	15	15	15	10
State Aid	2	3	3	3
Costs	6	6	6	6
Resourcing	8	8	4	8
VFM	15	15	10	10
Risks	2	2	4	2
Total Score	79.0	78.0	81.0	68.0
Percentage Score	79.8%	78.8%	81.8%	68.7%

Agenda Item No: 4.3

Cambridgeshire and Peterborough Growth Company Business Plan 2022-2023

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 January 2023
Public report:	Yes
Lead Member:	Councillor Anna Smith, Statutory Deputy Mayor
From:	Steve Clarke, Interim Associate Director Business
Key Decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">(a) Approve the Growth Company Business Plan for 2023.(b) Give consent for the updated business plan to be adopted by the Cambridgeshire and Peterborough Growth Company Ltd.
Voting arrangements:	<p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 To share the updated business plan for the Cambridgeshire and Peterborough Growth Company Ltd (Growth co) with the Combined Authority Board and to seek approval for the updated business plan for 2023.
- 1.2 To seek shareholder consent from the Combined Authority for the Growth Co to adopt the revised business plan.

2. Background

- 2.1 On 27th November 2019, the Cambridgeshire and Peterborough Combined Authority (CPCA) Board endorsed the 'Business Growth Service Outline Business Case' and agreed to the establishment of a Business Growth Service Management Company initially to be a wholly owned subsidiary of Angle Holdings Limited. The Business Case was formally approved by the Combined Authority for the 3-year local business growth and development programme to be delivered from February 2021 through the new service management company subsidiary of the CPCA, which was renamed the Cambridgeshire and Peterborough Growth Company Ltd (Growth Co).
- 2.2 At the beginning of 2021 as part of the approved Business case funding package the Combined Authority subsequently invested an additional £5.4 million of Local Growth Fund capital into the Growth co in return for 5.4 million shares, making the Combined Authority the majority shareholder. During 2022 the Combined Authority Board approved an additional £400,000 investment into Growth co from the Business Board Recycled Local Growth Fund in return for another 400,000 shares. Angle Holdings Limited currently holds 1 share in Growth co and is currently being wound up by the CPCA and its minority single share held in Growth co will be surrendered or sold.
- 2.2 Growth Co's singular business mission is as a fund management and contracting vehicle to procure and manage the private sector to deliver the Business Growth Service programme (Growth Works) comprising of growth coaching, skills brokerage and inward investment promotion as well as managing an allocated amount of Local Growth Fund finance to be used as grants and equity investment in businesses in the Cambridgeshire and Peterborough area.
- 2.3 The delivery of the Growth Works programme has just completed year 2 of the 3-year contract and the focus for the Growth co is the successful delivery of the 3rd year outcomes plus reviewing options and attracting funding for the delivery of any future business growth and skills support programmes beyond the end of December 2023.

3. Business Plan 2023

- 3.1 The Business Plan provides a framework for the strategic operations of the Growth Co, specifically:
 - Governance, Board and Shareholder structure for the Growth Co
 - Financial overview of the Growth Co
 - Performance deliverables and contract management structures

- Benefits and advantages of Growth Co

- 3.2 The three directors of Growth Co consist of an Independent Chairperson, plus the Interim Operations Director and the Chief Finance Officer for the CPCA. The Directors reviewed and approved the revised 2023 business plan at their Board meeting on the 14th December 2022. The shareholder agreement does require that the Combined Authority gives consent for the approval of the business plan.
- 3.3 The Growth Co Board of Directors are responsible for the strategic direction and success of the company in delivering its sole mission of the Business Growth Service Programme. Growth Co will maintain an effective service and financial performance management reporting system which will include reports to the CPCA Board, Audit and Governance Committee, Business Board and Skills Committee as applicable. Growth Co will be subject to any audit and inspection requirements of the CPCA in its role as the major shareholder.

Significant Implications

4. Financial Implications

- 4.1 The Business Plan for 2023 details:
- Cash flow
 - Proposed operating costs
 - Proposed costs including overhead recharge from Growth Co to CPCA

5. Legal Implications

- 5.1 The shareholder agreement requires that the Combined Authority gives consent prior to adoption of the Business Plan by Growth co.

6. Environmental & Health Implications

- 6.1 The delivery of the Business Growth Service Programme will have a positive impact on public health regarding the creation of key employment, skills, or social impact outcome improvements across the Combined Authority area. Good work and personal skills development are a key determinant and contributor of positive health outcomes.

7. Other Significant Implications

- 7.1 None.

8. Appendices

- 8.1 Appendix 1 – Growth Co Business Plan 2023
- 8.2 Appendix 2 – Growth Co Risk Register (December 2022)

9. Background Papers

9.1 [Combined Authority Board 27 January 2021 - Item 3.3](#)

Cambridgeshire and Peterborough Business Growth Company Limited

Business Plan

April 2022 – December 2023



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CHAIR'S FOREWORD

When the Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) was first conceptualised in 2020 the working hypothesis was that by focusing on the top one thousand highest growth SMEs and offering four different service lines into the region, there was an opportunity to drive employment growth and in turn increase economic value.

Since then there has been considerable change and for many businesses operating across the region, these are turbulent times and priorities have shifted for a lot of leadership teams and as their priorities change, it is only right that we ensure that the services the Growth Co offer are flexed accordingly and where appropriate, amended to meet the needs of the business community.

This Business Plan document aims to address this.

It should be noted that the first twelve months of the programme saw a strong performance and in particular the Inward Investment service line has performed at a consistently high level throughout and the team leading that element of Growth Co deserve a special mention for the work they are doing.

Despite the key metrics performing well during the first phase of the programme it was clear from some of the leading indicators that we would likely see performance erode on some of the high volume service lines and this is what has been witnessed.

The executive team leading Growth Co have been quick to identify the changes that they want to implement and to execute the Business Plan for the balance of the programme. Furthermore, I have great confidence that the Growth Co will continue to deliver through 2023. I and my fellow Growth Co directors look forward to working with them and as they work on ensuring the programme continues to provide support provision in meeting business needs beyond December 2023.

Nigel Parkinson

1.0 EXECUTIVE SUMMARY

1.1 Background

To deliver on the original and new strategies, a comprehensive Growth Service was designed to fuel growth in Business & Skills across the three regional sub-economies. The vehicle through which this service is being delivered is the dedicated Legal Entity Cambridgeshire and Peterborough Business Growth Company (Growth Co).

1.2 The Growth Co

The Cambridgeshire & Peterborough Combined Authority (CPCA) as its accountable body and sole shareholder with two directors on the Growth Co board alongside an independent Chair. The directors of Growth Co were appointed by the Combined Authority and the purpose of the company is solely to manage growth service delivery funds and the delivery of services contract with the private sector to support business growth and development.

1.3 Drivers for Establishing the Growth Co

- To assist with delivering current and future objectives of the CPCA
- To procure the delivery of services from the private sector to support business growth and development in the area

1.4 Benefits of the Growth Co

Creating a Growth Co is a key part of providing a structure that will support and help to achieve the aims of the CPCA and establishing a Growth Co will:

- Accelerate and provide a vehicle for the delivery of growth
- Hold and manage investments, using any profit generated to meet the aims of the CPCA

1.5 Growth Co Mission Statement

The Growth Co will connect the growth, investment and skills support resources of Cambridgeshire and Peterborough, to firms across the economy, creating a marketplace for sustainable inclusive growth, investment and skills services. All our towns and cities will form this network of well-connected economic and business clusters centred on key sectors, collaborating across geographical boundaries and accessing world-class growth support.

1.6 Growth Co Objectives

- To deliver value for money
- To deliver against the CPCA's overall Vision and Values
- To contribute to CPCA's Corporate objectives
- To deliver sustainable and inclusive business growth

1.7 Growth Co Strategic Fit

The CPCA adopted a revised 'Sustainable Growth Ambition Statement' in early 2022 with focus on 'good growth' and 'reducing inequalities' for the region. Furthermore, it has subsequently approved a new 'Economic Growth Strategy' against which Growth Works plays an integral part of its implementation and for achieving economic growth. The Growth Co acts as a fund management and contracting vehicle to procure the private sector to deliver growth coaching, skills brokering and inward investment promotion in the area.

2.0 GOVERNANCE & MANAGEMENT

Growth Co is owned by CPCA after the Growth Co issued 5.407m additional shares to the CPCA in return for £5.407m of Local Growth Fund investment. At this point, the CPCA became the majority shareholder and operates control directly. This Business Plan provides for sufficient support and leadership from Directors and an Independent Chairman.

Additional support will be provided by Finance, HR, Legal and IT. **Annex 1** has a diagram which sets out the contracts in the contracts structure, with details of what each agreement would do, and a high-level outline of terms to be included in each agreement.

3.0 PERFORMANCE & DELIVERY

3.1 The Growth Works Programme

The Growth Co oversees the contracting, mobilisation and performance management of the Growth Works Programme, which is a three-year contract, spread over four financial years to December 2023.

3.2 Programme Performance

There was a strong performance in the first 12 months of the contract which created a surplus in most leading indicators and has been eroded to the point of deficit across key metrics, particularly within the Growth Coaching and Skills Service Lines (including European Regional Development Fund (ERDF) and ESF metrics). However, since that strong delivery in the first 12 months of the programme, market forces and economic uncertainty are now impacting the desire of firms to expand and create jobs, over preserving cash reserves.

The below provides the high-level outcomes for jobs and apprenticeships at programme level to date (up to and including Quarter 7, Year 2):

Service Line	Total Programme Target	Year 2 Target	Year 2 Actual (01-Jan to 30-Sep)	Programme Actual (15-Feb-2021 to 30-Sep-2022)	Year 3 Target
Coaching	3,223	1,454	934	1,073	2,150
Inward Investment	808	263	304	627	181
Skills: Apprenticeships	1,400	449	200	266	1,134
Grants & Equity	1,455	474	245	684	771
Totals	6,886	2,640	1,683	2,650	4,236

3.3 Growth Works - Additional Programmes 2021-22

- **The Growth Hub** – funding of £738,000 (from BEIS and the Cambridgeshire & Peterborough Combined Authority) to integrate the Growth Hub as part of the Growth Works to connect local businesses to the help, support, provide information and funding through the Growth Works. This makes the process of finding information and business support easier by bringing together a multitude of information in one place.
- **Peer-to-Peer Networks** - funding of £210,000 awarded to Growth Works to deliver a series of Peer-to-Peer support activities on behalf of the CPCA under the Government's economic response to Covid-19. The aim being to improve SME's capability to adapt their business models to the "new normal", position themselves for future success and drive longer term productivity gains through improved leadership and management skills and tech adoption.
- **Community Renewal Fund (CRF)** - funding of £3,393,851 awarded to Growth Works to deliver two CRF programmes by 30 June 2022. These were 'Turning Point' which is a skills and employment support programme, and 'Start and Grow' which is an enterprise pre-start and start-up support programme.
- **Additional Restrictions Grants (ARG)** – funding of £1,315,000 was awarded to Growth Works to provide additional support to local authorities to administer grants in Huntingdonshire, Fenland, Peterborough and Cambridge City to businesses adversely affected by the Covid-19 pandemic.

3.4 Proposed Delivery in Years Two & Three

Despite the programme being ahead of where it expected to be at this stage for the overall jobs created metric, there are concerns about the impacts of the current macro-economic environment and the consequence this would have on the programme in the final months of year two and year three. Outcome targets may need to be realigned based on current market conditions and programme funds may need to be reallocated to services that are proven to deliver. In line with the best principles of good governance, consideration will be given to evaluating key elements of the service, including:

- The evaluation of the material changes in the macro and micro economic environments since programme inception and mobilisation.
- The evaluation of the performance of each service line since contract start and an objective data-driven review of each sub contractor's demonstrable ability to deliver against the existing and proposed outcomes.
- Re-evaluation of the original programme objectives and hypotheses against today's macro-economic environment to consider if any adjustments are required to maximise the benefits of Growth Works for workers, learners and business leaders across the third and final year of the programme.

The central tenet in any review will be the realignment of outcome targets based on market conditions and the reallocation of programme funds to services that are proven to deliver. **Annex 2** sets out some initial recommendations that could help address any underperformance concerns.

3.5 Programme Change Notices (CCN's)

Service Line	Change Request		
	I.D.	Subject/Title	Completion Date
Skills Service	CCN.01	a. CEC Platform Enhancement: Utilise ESF funding to support the enhanced functionality and oblige GEG to deliver new CEC terms. b. Staffing: Utilising additional ESF funding to support the enhanced people resourcing in the service.	4 March 2022
Growth Coaching Service	CCN.02	BEIS funding for Growth Hub	4 March 2022
Growth Coaching Service	CCN.03	Peer to Peer Programme Delivery	31 March 2022
GEG, subcontractors, and the consortium	CCN.04	External Communications and Media Handling Protocol	22 December 2021
Inward Investment Service	CCN.05	Marketing campaign promoting Clean Tech opportunities around the Global Investment Summit & in the lead up to COP26	22 December 2021
HDC Grants	CCN.06	Introduction of new revenue grant services by GEG for HDC	30 December 2021
Inward Investment Service	CCN.07	Cambridge City ARG post-covid business recovery programme	16 December 2021
Skills Service	CCN.08	Start and Grow CRF Services	6 March 2022
Growth Coaching / Growth Hub	CCN.09	CRF Turning Point	6 March 2022
Inward Investment Service	CCN.10	£80K of repurposed Relocation Grants for interim support for Inward Investment Delivery and redistribution of remaining relocation grants across the programme duration	31 March 2022
Grants & Equity Service	CCN.11	Equity Service	01 Nov 22
Grants & Equity Service	CCN.12	£400k Expansion of The Growth Works Inward Investment Service (Via Recycled LGF Funds	01 Nov 22
Skills Service	CCN.13	ESF	TBC

4.0 FINANCIALS

4.1 Financial Assumptions

The Growth Works Programme is a three-year contract, spread over four financial years due to the start date of the contract.

4.2 Table 1 below, shows the projected funding and expenditure profile.

	£m									
	Year 1		Year 2			Year 3		Year 4		Total
Funding	2.122		12.466			6.081		9.567		30.24
Expenditure	2.124		9.749			7.384		10.337		29.60

4.3 Table 2 below, shows the annual cash flow for the company.

Table 1 - Projected income & expenditure									
Growth Service Cashflow	Previous Business Plan Total	Variance ***	FY 20/21 Total	FY 21/22 Total	FY 22/23 YTD	FY 22/23 Total	FY 23/24 Total	Grand Totals	
Income									
LGF Equity Investment	£ 5,407,000	£ -	£ 2,000,000	£ 3,407,000	£ -	£ -	£ -	£ 5,407,000	
CA Skills Rapid Response	£ 150,000	£ -	£ -	£ 100,000	£ -	£ 50,000	£ -	£ 150,000	
CA Economic Rapid Response	£ 150,000	£ -	£ -	£ 100,000	£ -	£ 50,000	£ -	£ 150,000	
CA Contract with CEC	£ 240,000	£ -	£ -	£ 80,270	£ -	£ 79,730	£ 80,000	£ 240,000	
CA Enterprise Zone Receipts	£ 927,000	£ -	£ -	£ 230,000	£ -	£ 279,000	£ 418,000	£ 927,000	
Additional Business & Skills Funding	£ 23,465	£ -	£ -	£ 23,465	£ -	£ -	£ -	£ 23,465	
20/21 Marketing	£ -	£ 55,000	£ -	£ 55,000	£ -	£ -	£ -	£ 55,000	
CA/BEIS Growth Hub	£ 738,000	£ 73,342	£ 6,592	£ 536,500	£ -	£ 268,250	£ -	£ 811,342	
ERDF Nudge Grants	£ 3,000,000	£ -	£ -	£ 1,975	£ 500,782	£ 620,782	£ 2,377,243	£ 3,000,000	
ESF Funding	£ 2,035,547	£ -	£ 14,223	£ 945,772	£ 46,530	£ 633,600	£ 441,951	£ 2,035,546	
LGF Investment Fund (Capital)	£ 11,043,000	£ -	£ -	£ 2,310,851	£ 854,690	£ 2,982,149	£ 5,750,000	£ 11,043,000	
LGF Investment Fund (Revenue)	£ 500,000	£ -	£ -	£ -	£ -	£ -	£ 500,000	£ 500,000	
20/21 EU Exit Readiness	£ -	£ 12,049	£ 12,049	£ -	£ -	£ -	£ -	£ 12,049	
20/21 Growth Hub Supplemental	£ -	£ 89,569	£ 89,569	£ -	£ -	£ -	£ -	£ 89,569	
20/21 Peer to Peer	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Business Growth OPEX	£ -	£ 5,500	£ -	£ 5,500	£ -	£ -	£ -	£ 5,500	
Cambis CC Cambridge Knowledge	£ -	£ 315,000	£ -	£ 315,000	£ -	£ -	£ -	£ 315,000	
GEG Webiste Invoice	£ -	£ 120	£ -	£ 120	£ -	£ -	£ -	£ 120	
CPCA - Recharge of LG Time	£ -	£ 2,463	£ -	£ 2,463	£ -	£ -	£ -	£ 2,463	
Hunts DC	£ -	£ 50,000	£ -	£ 50,000	£ -	£ -	£ -	£ 50,000	
HDC ARG Grant - CRF	£ -	£ 400,000	£ -	£ 400,000	£ -	£ -	£ -	£ 400,000	
AEB NRS Recharge LG Time	£ -	£ 2,000	£ -	£ 2,000	£ -	£ -	£ -	£ 2,000	
CRF Turning Point CCN	£ -	£ 5,000	£ -	£ 5,000	£ -	£ -	£ -	£ 5,000	
CRF Start & Grow CCN	£ -	£ 5,000	£ -	£ 5,000	£ -	£ -	£ -	£ 5,000	
PCC ARG Grant - CRF	£ -	£ 400,000	£ -	£ 400,000	£ -	£ -	£ -	£ 400,000	
FDC ARG Grant - CRF	£ -	£ 200,000	£ -	£ 200,000	£ -	£ -	£ -	£ 200,000	
CPCA CRF Start & Grow	£ -	£ 2,350,000	£ -	£ 1,550,000	£ -	£ 800,000	£ -	£ 2,350,000	
CPCA CRF Turning Point	£ -	£ 829,066	£ -	£ 512,066	£ -	£ 317,000	£ -	£ 829,066	
HDC ARG Grant - Initial CCN	£ -	£ 1,227,904	£ -	£ 1,227,904	£ -	£ -	£ -	£ 1,227,904	
Totals	£ 24,214,012	£ 6,022,012	£ 2,122,433	£ 12,465,886	£ 1,402,002	£ 6,080,511	£ 9,567,194	£ 30,236,023	
Expenditure	Previous Business Plan Total	Variance ***	FY 20/21 Total	FY 21/22 Total	FY 22/23 YTD	FY 22/23 Total	FY 23/24 Total	Grand Totals	
Staffing (see tab for details)	£ 791,936	£ 10,754	£ 45,612	£ 252,217	£ 163,906	£ 247,481	£ 257,380	£ 802,690	
Administration (see tab for details)	£ 321,106	£ 64,072	£ 45,612	£ 101,238	£ 21,733	£ 181,085	£ 57,243	£ 385,178	
Grants & Equity Investment Administration	£ 780,001	£ -	£ 190,152	£ 322,575	£ 100,580	£ 203,281	£ 63,993	£ 780,001	
Capital Growth Grants	£ 10,270,000	£ -	£ -	£ 2,310,851	£ 854,690	£ 2,209,149	£ 5,750,000	£ 10,270,000	
Innovation & Relocation Grants	£ 93,000	£ -	£ -	£ -	£ -	£ -	£ 93,000	£ 93,000	
Skills Brokerage Operational Budget	£ 3,308,568	£ -	£ 850,000	£ 982,571	£ 351,249	£ 843,427	£ 632,570	£ 3,308,568	
Portal Development (50% ESF)	£ 280,000	£ -	£ -	£ -	£ -	£ 280,000	£ -	£ 280,000	
Inward Investment Service Budget	£ 1,667,205	£ -	£ 485,000	£ 675,000	£ 250,000	£ 470,000	£ 37,205	£ 1,667,205	
NHS Cambis & Pboro H&W	£ 3,202,000	£ -	£ 500,000	£ 1,250,000	£ 600,000	£ 1,100,000	£ 352,000	£ 3,202,000	
BGS Nudge Grants	£ 1,000,000	£ -	£ 7,876	£ 4,500	£ 36,812	£ 250,000	£ 737,624	£ 1,000,000	
ERDF Nudge Grants	£ 3,000,000	£ 63,975	£ -	£ 207,975	£ 310,392	£ 500,000	£ 2,356,000	£ 3,063,975	
CRF Start & Grow	£ -	£ 2,350,000	£ -	£ 1,550,000	£ -	£ 800,000	£ -	£ 2,350,000	
CRF Turning Point	£ -	£ 812,066	£ -	£ 512,066	£ -	£ 300,000	£ -	£ 812,066	
Hunts ARG Administration	£ -	£ 45,000	£ -	£ 45,000	£ -	£ -	£ -	£ 45,000	
CCC Intensive Knowledge	£ -	£ 307,500	£ -	£ 307,500	£ -	£ -	£ -	£ 307,500	
Hunts ARG Grants	£ -	£ 1,227,904	£ -	£ 1,227,904	£ -	£ -	£ -	£ 1,227,904	
Totals	£ 24,713,816	£ 4,881,271	£ 2,124,252	£ 9,749,397	£ 2,689,362	£ 7,384,423	£ 10,337,015	£ 29,595,087	
Opening Balance	£ -	£ 499,804	£ -	£ 1,819	£ -	£ 2,714,670	£ 1,410,758	£ -	
Total Income	£ 24,214,012	£ 6,022,012	£ 2,122,433	£ 12,465,886	£ 1,402,002	£ 6,080,511	£ 9,567,194	£ 30,236,023	
Total Expenditure	£ 24,713,816	£ 4,881,271	£ 2,124,252	£ 9,749,397	£ 2,689,362	£ 7,384,423	£ 10,337,015	£ 29,595,087	
Closing Balance	£ 499,804	£ 640,936	£ 1,819	£ 2,714,670	£ 1,287,360	£ 1,410,758	£ 640,936	£ 640,936	

4.4 Table 3 below, details the proposed operating costs of the company.

CPCA Seconded/Recharged Staff		22/23		23/24		
		100%		104%		
Role	Salary Incl. Oncosts	FTE	£ Cost	FTE	£ Cost	Total Cost
Director	-	1	£7,047	1	£7,329	£14,377
Director	£115,249	0.2	£23,050	0.2	£23,972	£47,022
Director	£74,926	0.2	£14,985	0.2	£15,585	£30,570
Director	£-	1	£4,000	1	£4,160	£8,160
Director - ESF 50%	£109,287	0.2	£10,929	0.2	£11,366	£22,295
Secretariat	£-	1	£4,634	1	£4,820	£9,454
LGF Management	£72,105	0.1	£7,210	0.1	£7,499	£14,709
Finance	£65,461	0.2	£13,092	0.2	£13,616	£26,708
Finance Assistant	£53,529	0.2	£10,706	0.2	£11,134	£21,840
Project Co-ordinator - ERDF	£37,976	0.5	£18,988	0.5	£19,748	£38,736
HR	£46,824	0.1	£4,682	0.1	£4,870	£9,552
Performance	£57,326	0.2	£11,465	0.2	£11,924	£23,389
Total Cost of CPCA Staff			£130,789		£136,021	£266,810
Growth Company Staff						
Role	Incl. Oncosts	FTE	£ Cost	FTE	£ Cost	
Independent chair	£26,100	1	£26,100	1	£27,144	£53,244
ERDF Support - 50% ESF	£43,627	1	£21,813	1	£22,686	£44,499
ERDF Manager - 50% ESF	£77,394	1	£38,697	1	£40,245	£78,941
Total Cost of Growth Co Staff			£86,610		£90,074	£176,684
Combined Staffing Costs			£217,399		£226,095	£443,495
Operational Overheads for CPCA Staff only = 23% of staffing			£30,082		£31,285	£61,366
Total Staffing Costs inc Overheads			£247,481		£257,380	£504,861

4.5 Table 4 below, details the proposed administrative / running costs of the company, including the staffing overhead recharge from CPCA to Growth Co.

Title	FY 20/21	FY 21/22	FY 21/22	FY 22/23	FY 22/23	FY 23/24	FY 24/25	Totals
	Actual	Actual	Actual	YTD (Nov)	Forecast	Forecast	Forecast	
Opportunity Peterborough	£ 38,373	£ -			£ -	£ -	£ -	£ 38,373
Audit	£ -	£ 1,500	£ 1,500		£ 1,500	£ 5,000	£ 5,000	£ 14,500
Payroll Processing	£ 45	£ 630	£ 720	£ 360	£ 540	£ 540	£ -	£ 2,475
Xero Finance Software	£ -	£ 455	£ 427	£ 430	£ 276	£ 276	£ 276	£ 1,710
Citrus HR	£ -	£ 1,107	£ 1,135	£ 666	£ 600	£ 600	£ -	£ 3,442
IT Services/Equipment	£ 1,279	£ 120		£ 1,479	£ 3,500	£ 3,500	£ -	£ 8,399
Legal	£ -	£ 46,333	£ 27,099	£ 10,832	£ 5,000	£ 5,000	£ -	£ 83,432
Phones	£ -	£ -	£ 3,941		£ 1,000	£ 1,000	£ 500	£ 6,441
Recruitment Costs	£ -	£ -			£ 2,000	£ 2,000	£ 2,000	£ 6,000
Marketing & Comms	£ -	£ 40,000		£ 519	£ 2,000	£ 2,000	£ -	£ 44,000
Training & Audit	£ -	£ -			£ 10,000	£ -	£ -	£ 10,000
ESF/ERDF Consultant	£ -	£ 20,388	£ 25,667	£ 2,869	£ -	£ -	£ -	£ 46,055
Deyton Bell	£ -	£ 5,280			£ -	£ -	£ -	£ 5,280
Procurement (Potential)	£ -	£ -			£ -	£ -	£ -	£ -
Central Overheads 23%	£ -	£ 33,169			£ -	£ -	£ -	£ 33,169
Insurance	£ -	£ -			£ 6,000	£ 6,000	£ -	£ 12,000
Banking	£ -	£ 167	£ 167	£ 345	£ 500	£ 500	£ -	£ 1,334
Travel Expenses	£ -	£ -			£ 1,500	£ 1,500	£ -	£ 3,000
HubSpot	£ -	£ 40,463	£ 40,582		£ 109,537	£ -	£ -	£ 190,582
Secretarial				£ 4,233				
Totals	£ 39,696	£ 189,611	£ 101,238	£ 21,733	£ 143,953	£ 27,916	£ 7,776	£ 510,190

4.6 Financing the Growth Co

- In early 2020, the CPCA was successful in its application to the Business Board for £5,407,000 capital investment from LGF to be made into the Growth Co, a further £400,000 of capital investment from the LGF Recycled Fund into the Growth Co was secured in June 2022. The shares in Growth Co held by the Authority will be managed by the Authority and the Authority will exercise all shareholder voting rights. The value of the shares and any dividend will be ringfenced for the objectives of the Business Board as part of the Single Pot approach to the LGF.
- The CPCA secured for £5,095,141 of revenue funding from European Structural and Investment Funds ("ESIF") including both European Regional Development Fund at £3,050,585 ("ERDF") and European Social Fund ("ESF") programmes at £2,044,556, which it shall provide as grant to the Growth Co.
- The CPCA shall itself allocate £2,265,000 of revenue funding from its own budget to be paid to the Growth Co. This comprises of £738,000 from Growth Hub, £150,000 from CA Skills Implementation, £150,000 CA LIS Implementation and £927,000 from CA Enterprise Zone Receipts.
- £3,000,000 of the funds will be used by the Growth Coto provide grants to fund growth coaching services delivered by third party coaches during the contract duration. This will be match funded by service users, so that the services delivered by third party coaches will be funded 50% by the grants from the Growth Co and 50% from fees paid to the third-party coaches by the service users.

- One of the funds that the Growth Co will be charged with managing is the Small Business Capital Growth Investment Fund from the LGF. This is a pot of £11,500,000 which the Growth Co will use to provide capital grants to businesses and to make co-investments into businesses of between £150,000 and £250,000 in return for a commensurate amount of share equity in those businesses. The Growth Co will exercise all shareholder rights for these shares acquired in equity investments, although the value and any dividend received will be ringfenced for Business Board objectives as with the equity investment into the Growth Co itself.

5.0 OPERATIONS

5.1 Operating Model & Organograms

Growth Co has procured Gateley's to deliver the Growth Works programme (formally the Business Growth Service), and delivery partners YTKO (Growth Coaching Service) and GPC (Skills Service).

Annex 3 sets out organograms for the Growth Works PMO function and each service line.

5.2 Operational Objectives

- To deliver the agreed outputs of the Growth Works Programme over the duration of the contract
- To manage Growth Co effectively and efficiently
- To performance manage through excellent contract management the external supplier(s) of Growth Works

6.0 STAFFING

6.1 The Growth Co Programme Board

The Board consists of an Independent Chairperson, Interim Corporate director and the Chief Finance Officer for the CPCA. Two directors are sufficient for quoracy of Board decisions. Expectations of the directors, which are statutory duties owed by each director to the company:

- A director must act within their powers under the company's constitution
- A director is to promote the success of the company
- A director must exercise independent judgement
- A director must exercise reasonable skill, care and diligence in their role
- A director must avoid or manage conflicts of interest which may affect their objectivity
- A director must not to accept benefits from third parties
- A director must declare interest in proposed transactions or arrangements

Directors will be legally responsible for the running of the company including filing responsibilities to Companies House. A company secretary was appointed through the outsourced procurement of Trowers legal firm to fulfil this function.

7.0 OTHER RESOURCES

7.1 Support services in the form of HR, Finance, Legal, HR & IT services

Employed personnel – one FTE ESF/ERDF programme manager, one FTE ESF co-ordinator and one

0.5 FTE ERDF co-ordinator to monitor, evidence funding claims and contract manage the delivery of the Growth Works Programme through Growth Works supplier.

8.0 SUPPLIES, SYSTEMS, AND INFRASTRUCTURE

8.1 Service Level Agreement (SLA)

The CPCA will continue to provide support services to Growth Co, and this will be managed through establish contractual SLAs for each support service. This will include measurable performance indicators, break clauses and remedies for non-performance. There will be an annual review of processes whereby SLAs are refined to reflect the support Growth Co needs more accurately.

8.2 Use of External Suppliers

Growth Co will seek to use local external suppliers where the appropriate service can be competitively sourced.

8.3 Property & Assets

Growth Works is the trading name of GEG Services Limited a company registered in England and Wales, company number: 12374579 registered offices: One Eleven, Edmund Street, Birmingham, England, B3 2HJ. To be flexible, local office accommodation arrangements will be reviewed annually.

8.4 Information Sharing

An information sharing protocol will be developed during implementation.

8.5 Data Protection

Growth Co will comply with the relevant legislation and guidance concerning Data Protection including The General Data Protection Regulation (EU) 2016/679 (GDPR). Growth Co will adopt suitable policies and procedures to ensure data is adequately safeguarded.

8.6 Freedom of Information

As a company wholly owned by CPCA, Growth Co will be subject to requests for the disclosure of information under the Freedom of Information Act 2000 (FOI) in its ownright. As such, Growth Co will maintain a record management system that complies with the relevant guidance concerning the maintenance and management of records.

Growth Co will liaise with CPCA as appropriate to ensure consistency in answering FOI requests and provide such information to CPCA as it may require answering requests it has received.

9.0 MARKETING & PROMOTION

In line with CPCA's Vision and Values, Growth Co will develop its Brand and Marketing Strategy with the new external procured supplier(s) of the Growth Works Programme, with a view to clearly articulating its proposition to the marketplace.

10.0 SWOT & RISK ANALYSIS

10.1 The Localism Act 2011

This requires the CPCA to include a risk assessment as part of the business plan for the establishment of Growth Co.

10.2 PESTLE Analysis

In order to properly assess the risks associated with establishing a new company a high-level PESTLE Analysis and SWOT Analysis have been prepared. The PESTLE is a high-level analysis that examines the external environment and identifies the Political, Economic, Social, Technological, Legal and Environmental factors that could impact the Growth Co.

Political <ul style="list-style-type: none">➤ Funding streams & values➤ Changes in political priorities➤ Immigration	Economic <ul style="list-style-type: none">➤ Economic growth➤ Impact of COVID 19, Recession and Energy costs➤ Interest rates, inflation
Social <ul style="list-style-type: none">➤ Inclusive Growth➤ Mitigating jobs losses➤ New Skills opportunities for individuals and communities➤ New Census population metrics	Technological <ul style="list-style-type: none">➤ Innovative technology for grants administration➤ Virtual and online support provision for businesses and individuals
Legal <ul style="list-style-type: none">➤ Statutory obligations➤ Local Plans	Environmental <ul style="list-style-type: none">➤ Climate change action plan➤ Sustaining green recovery➤ Carbon reduction targets

10.3 SWOT Analysis

Strengths <ul style="list-style-type: none">➤ Local market knowledge➤ Assists CPCA with delivering its objectives➤ Connection with communities➤ Existing expertise available to provide early-stage support➤ Compliant and rigid vehicle	Weaknesses <ul style="list-style-type: none">➤ Unaccounted costs (Money and time)➤ Underperformance of contracted workstreams with businesses and individuals➤ Insufficient resources/support
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Opportunities	Threats
<ul style="list-style-type: none"> ➤ Rapid response to macro effects on business recovery ➤ Closer to marketplace for new interventions ➤ Positive impact across MarketTowns 	<ul style="list-style-type: none"> ➤ Funding ➤ National macro-economic environment ➤ 'Cost of Living' crisis ➤ Post Covid-19 'hybrid' working

10.4 Risk Management

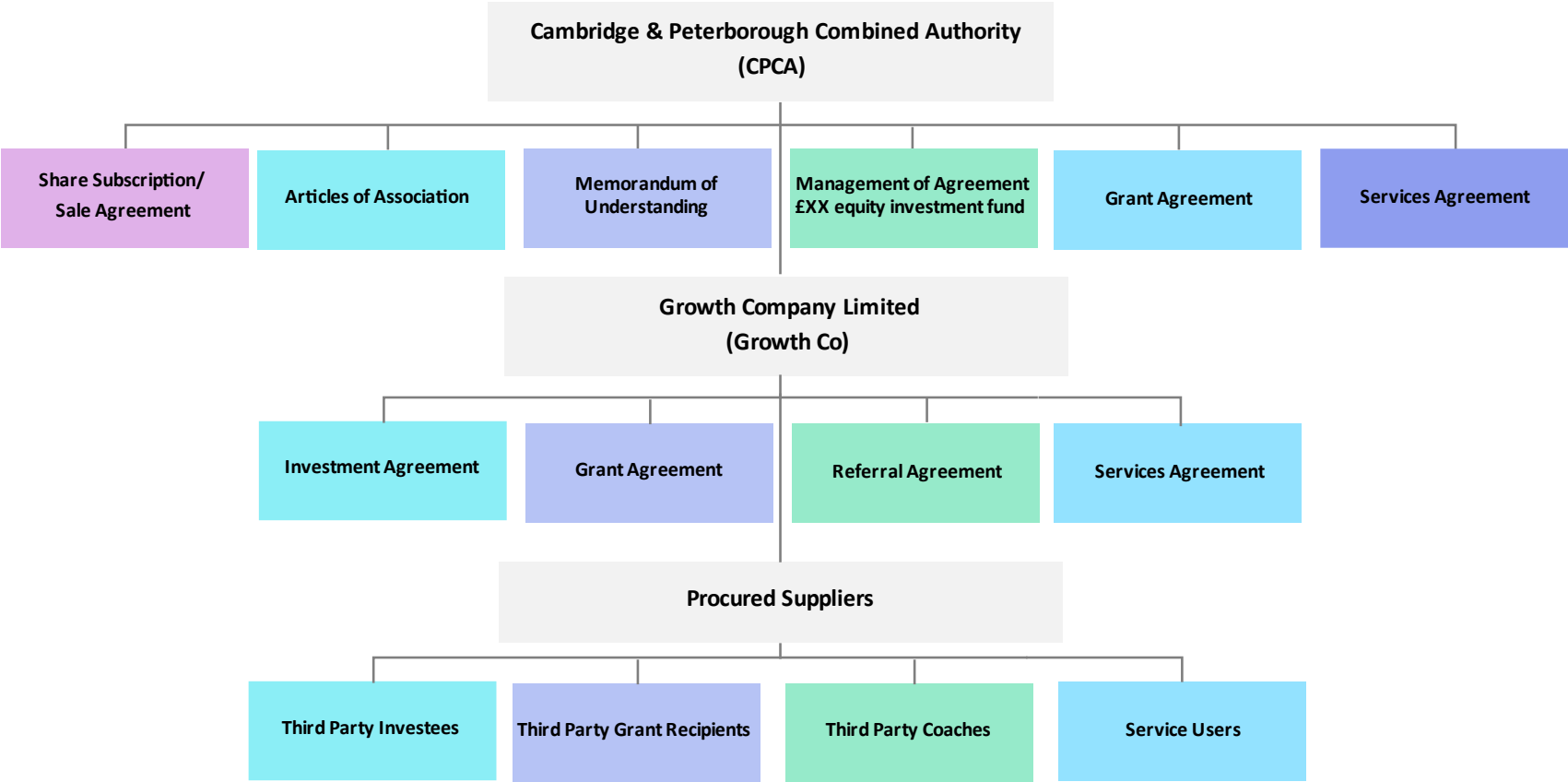
Commercial risks such as venture failure and financial loss ultimately resides with the Growth Co. A risk register will be maintained and wherever possible the Growth Co shall put in place measures to mitigate risks and will review all key risks at each Board meeting as a standing item. Currently, the top key risks focus areas are:

- High level direction of subsidiary companies
- Future funding
- Growth Coaching service line
- Skills service line
- Programme cashflow
- Service delivery at district level

11.0 NEXT STEPS & BEYOND 2023

The current Business Growth Service contract (Growth Works) and committed funding runs until end of December 2023. The Government is also reviewing the provision of funding for local Business Support provision through the Growth Hubs and Local Enterprise Partnerships and is potentially stopping or reducing funding from April 2024. The Growth Co executive team are in discussions with CPCA around the future of business support provision for Cambridgeshire & Peterborough from 2024, this also includes CPCA commissioning an external independent consultant to explore and produce options for future business support aligned to the adopted CPCA Economic Growth Strategy and its implementation plan. The Growth co as an established subsidiary for CPCA can continue to play a pivotal role in the future delivery of programmes and services as these are developed and funded.

ANNEX 1 – CONTRACT STRUCTURE



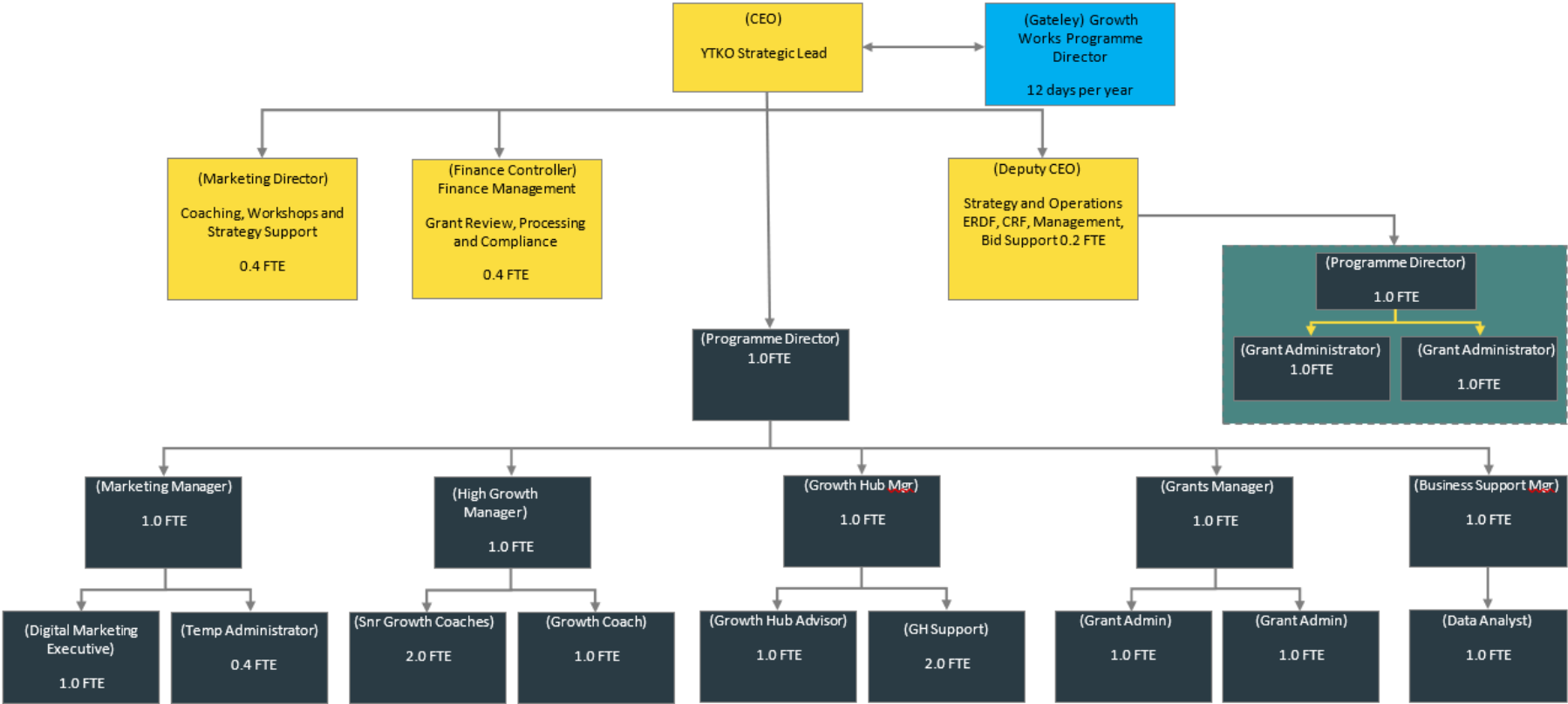
ANNEX 2 - SUMMARY OF RECOMMENDATIONS FROM THE GROWTH WORKS PROGRAMME REVIEW

In order to ensure Growth Works' offering is realigned to current market conditions and reflects insight gained from businesses, the Company has set out the following recommendations which were approved by the Skills Committee, Business Board and Combined Authority Board in November 2022 and are being implemented through Contract Change Notices with Growth Works contractors:

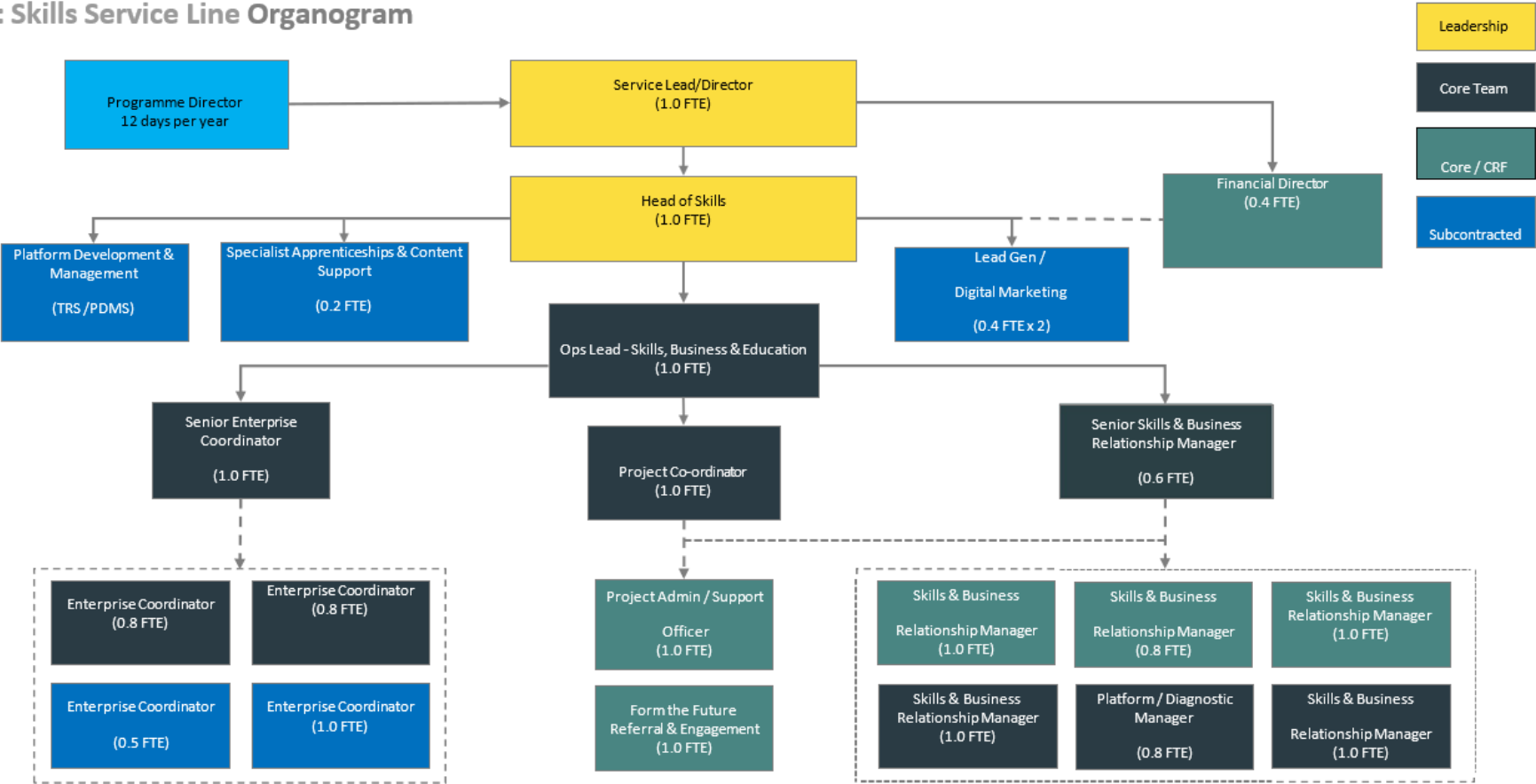
1. Increasing the jobs to be created from the £3,000,000 ERDF-funded grant programme from 400 to 1,240 building on the programme's strong performance to date¹⁰ and fully leveraging the ongoing Project Change Request.
2. The Growth Coaching Service would be reduced to ensure it can still service existing clients delivering an additional 707 jobs on top of the 710 (ex-ERDF) created to date. The revised total target of the Growth Coaching Service is 1,417 (ex-ERDF). This reduction in service reflects the lack of market demand while ensuring continuity for existing clients.
3. Reallocating £500,000 of Local Growth Funding and 454 jobs from Growth Coaching to Inward Investment, to give a total of 1,262 across the contract.
4. Growth Works with Skills have been pursuing a Key Account Management model throughout the programme to-date and while this has had some impact, performance data shows it lacks the immediacy and sustained business engagement required to deliver the volume of outputs required within the duration of this contract. We recommend the service pivot from focusing on longer term culture change to medium term deliverables in order to deliver the required learning outcomes, apprenticeship starts and ESF KPIs; this will require both strategic and operational changes at pace.

ANNEX 3 – ORGANOGRAMS OF GROWTH CO CONTRACTORS (GROWTH WORKS)

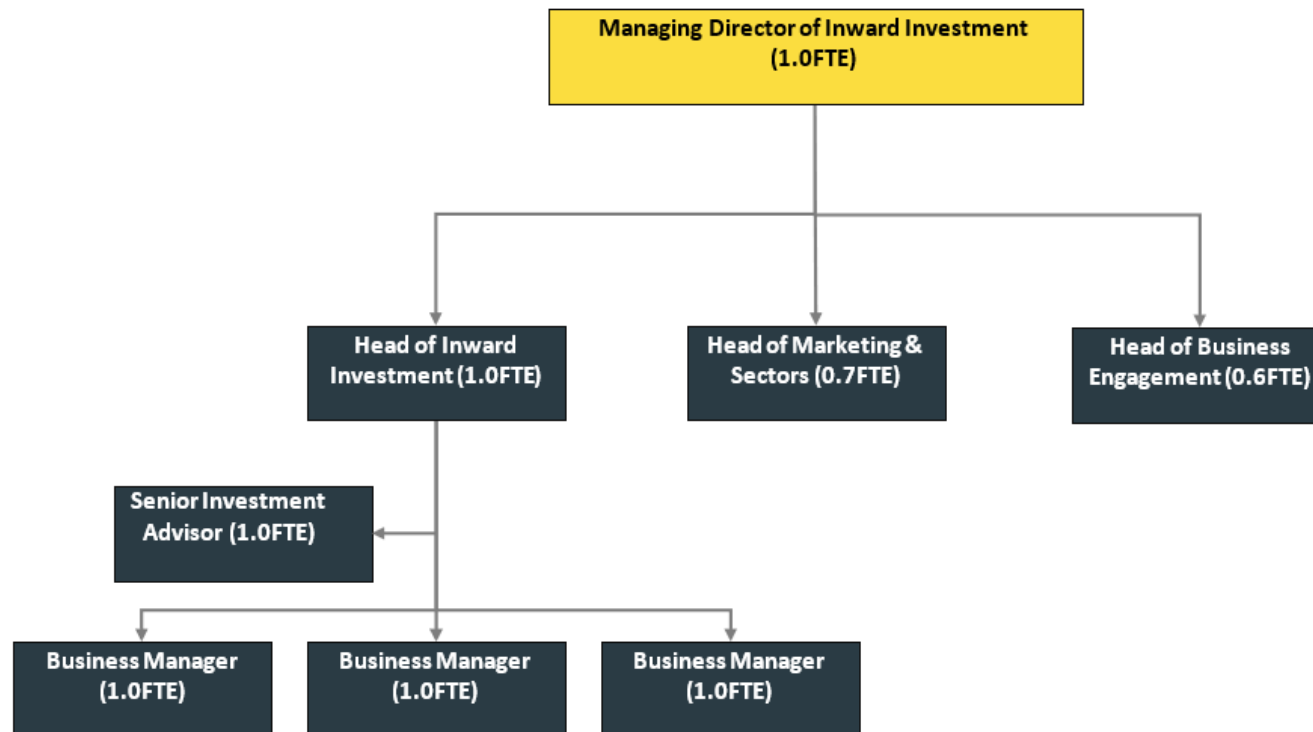
YTKO: Growth Coaching, Grants & CRF Service Organogram



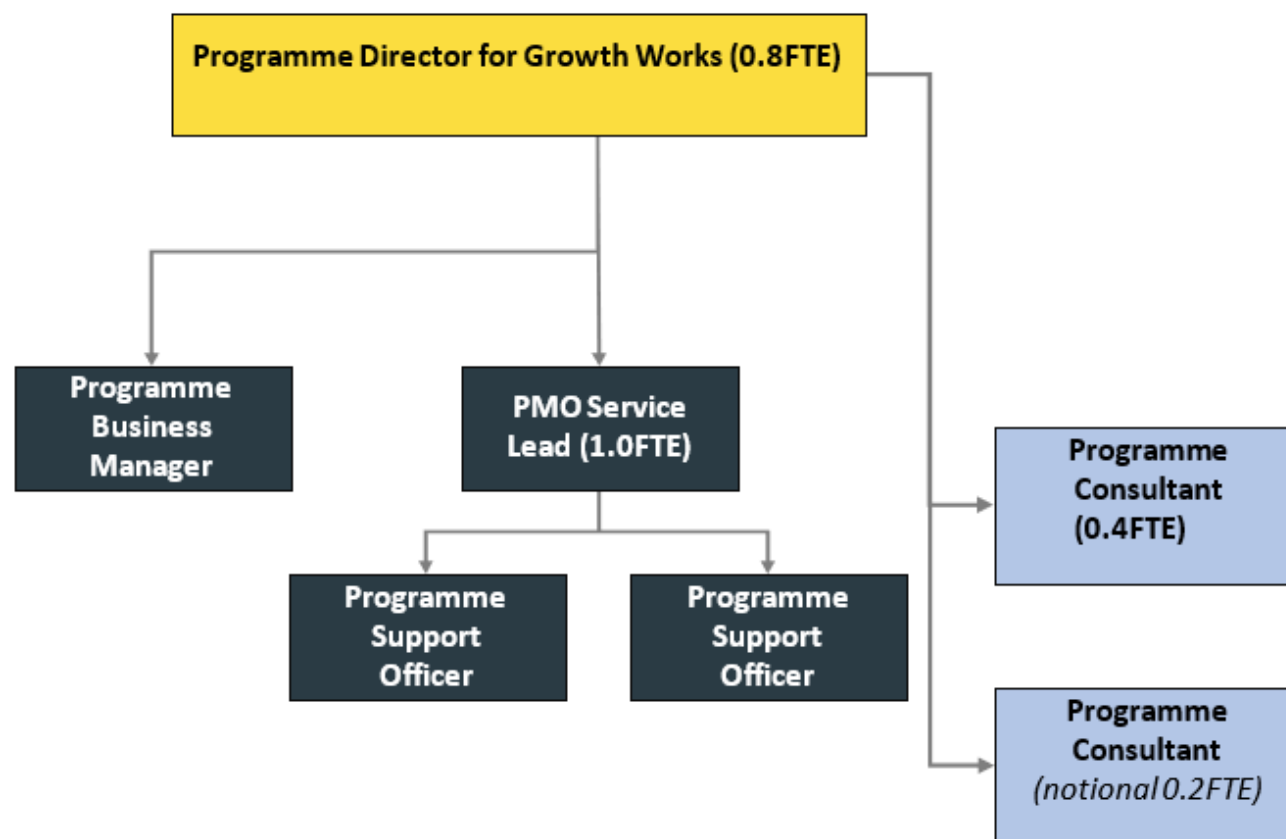
GPC: Skills Service Line Organogram



Gateley: PMO Service Organogram



Gateley: PMO Service Organogram



Growth Co Risk Register: top 6 risks

Risk Title											Cause & Effect		Inherent Score	Risk Control		Residual Score	Action required					Risk cost	Target Score			
Risk Ref	Risk Title	Date Identified	Risk type	Proximity	Risk Status	Risk Owner	Risk Lead	Last Updated	Latest Review Date	Last Reviewed By	Last Review Comments	Cause	Effect	Inherent Risk Score	Control (mitigation action)	Control Owner	Residual Risk Score	Action required	Person responsible	Trend	Date to be implemented by	Date action closed (if applicable)	Cost of risk control (£k)	Escalation Required?	Target Risk Score	Date Closed
1	Actions from the Subsidiary Company Governance Review	30/09/2022	Strategic	Close	Open	SC	DC	14/10/2022	14/10/2022	DC		Lack of member oversight of the operational activities and high level direction of Growth Co as highlighted in the RSM internal audit of subsidiary companies which gave a minimal assurance.	The failure of delivering the objectives of Growth Co will have material, financial and reputational damage to the CA	18	Action plan to address the internal audit recommendations have been developed. Early actions are being addressed, including establishing a Programme Management Committee to better monitor Growth Co performance	Associate Directors for Business & Skills	14	Set-up Programme Management Committee and agreeing Terms of Reference with CPCA and the Growth Co Programme Board	Associate Director for Business	↓	January 20th 2023 (date of meeting and quarterly review)					
2	Future funding	07/03/2022	Financial	Close	Open	SC	DC	02/11/2022	02/11/2022	DC		a) Lack of guaranteed future funding streams b) Reduction in Business Board funding (BEIS LEP core funding)	Financial stability of Growth Co and continuation of business support provision for Cambridgeshire & Peterborough	24	a) Liaison with government departments b) Effective programme management to take into account funding deadlines c) Shaping business support to sustain provision beyond December 2023	Chief Finance Officer	18	Discuss with DLLHC or central government opportunities for future funding.	Associate Director for Business	→	01/12/2022					
3	Concerns raised regarding Growth Coaching	01/08/2022	Strategic	Imminent	Open	SC	DC		01/08/2022	DC		ROAR grants behind expenditure profile due to incomplete full audit trails in ERDF documentation from delivery partner	Under performance and failure to deliver agreed contracted outcomes for the Programme	18	Programme review undertaken to identify and address areas of delivery concern, reported to CPCA and Growth Co with suggested recommendations to enhance the service to December 2023	Associate Directors for Business & Skills	14	Recommended changes to be implemented and Change Control Notice to be agreed	Associate Director for Business	↓	01/01/2023					
4	Concerns raised regarding Skills Service Line	01/08/2022	Strategic	Imminent	Open	SC	DC		01/08/2022	DC		Leading indicators behind target	Key Account Management approach in this service line has so far not yielded the hoped-for results	18	Programme review undertaken to identify and address areas of delivery concern, reported to CPCA and Growth Co with suggested recommendations to enhance the service to December 2023	Associate Directors for Business & Skills	14	Recommended changes to be implemented and Change Control Notice to be agreed	Associate Director for Business	↓	01/01/2023					
5	Company Programme cashflow	01/11/2022	Financial	Imminent	Open	SC	RB		01/11/2022	RB		Key staff changes and leavers have impacted available resource to effectively monitor programme delivery and finances	Delays in processing claim payments and the reimbursement of CPCA funding from BEIS/DLHC	14	Reconciliation of accounts across each service line. Production of Business Plan 2022-23 to reflect actual position and strengthened processes and control measures	Chief Finance Officer	10	Cashflows are reviewed weekly with CPCA finance and reported at quarterly programme review meetings	Associate Director for Business	↓	01/12/2022					
6	Service delivery at district level	01/11/2022	Political	Imminent	Open	SC	GC		01/11/2022	GC		Performance concerns at district level and potential gaps in meeting district specific priorities	Reputational damage and political challenge from local Leaders	17	Undertake additional outreach with each local authority to enhance provision reporting and collection of data at district level - this to ensure service levels address priority needs	Associate Directors for Business & Skills	14	Share enhanced reporting and data collection processes with Growth Works teams	Associate Director for Business	↓	January 20th 2023 (date of meeting and quarterly review)					

Issue Management - Project / Programme											
Issue ID	Issue type	Date raised	Raised by	Issue Report Author	Issue description	Severity (drop down)	Priority (drop down)	Status	Closure date (if applicable)	Response Action Plan	Action owner
1	Reputation	May-22		Steve Clarke	Lack of officer support from CPCA to Growth Co - particularly within the Legal and Finance areas - combined with recruitment challenges e.g. challenge to secure temps or contractors including key finance colleague, ERDF project coordinator, and soon to be ERDF Senior Programme Manager and SRO	High	High	Open		Discussions taking place with HR to address this	Steve Clarke

Risk guidance

Risk Matrix

Impact

5	Critical	15	19	22	24	25
4	Major	10	14	18	21	23
3	Moderate	6	9	13	17	20
2	Minor	3	5	8	12	16
1	Negligible	1	2	4	7	11
		1	2	3	4	5
		Rare	Unlikely	Possible	Likely	Almost Certain

Likelihood

Risk Impact Criteria / Definitions

Impact:	Safety	Reputation	Media Attitude	Legal	Direct Loss	Strategic	Political	Planning or environmental
5. Critical	Potential to cause one or a number of fatalities. H&S breach causing serious fine, investigation, legal fees and possible stop notice	Stakeholders / Third parties suffer major loss or cost	Governmental or comparable political repercussions. Loss of confidence by public.	Action brought against Combined Authority.	Over £300,000	Project will no longer align with the Combined Authority strategic objectives.	Impact on relationships with political partners/stakeholders or government leading to possible funding, legal or reputational impacts. Or Loss of confidence from CPCA Board in ability to deliver project successfully.	Unlikely to receive planning permission, or will cause environmental harm.
4. Major	Serious risk or injury possibly leading to loss of life. H&S investigation resulting in investigation	Significant disruption and or Cost to Stakeholders / third parties	Story in multiple media outlets and/or national TV main news over more than one day		Between £50,000 and £300,000	Project will need changes to align with Combined Authority strategic objectives.	May not be supported if taken to Board. Lack of political unanimity for scope and objectives	
3. Moderate	High risk of injury, possibly serious. H&S standards insufficient / poor training	A number of Stakeholders are aware and impacted by problems.	Critical article in Press or TV. Public criticism.		Between £10,000 and £50,000	Project aligns with majority of strategic objectives but change is required to fit with one specific objective	More than one political stakeholder/partner does not support	
2. Minor	Small risk of minor injury. H&S policy not regularly reviewed.	Some external Stakeholders aware of the problem, but impact on is minimal.	Negative general article of which Combined Authority is mentioned		Between £1,000 and £10,000	Minor impact on strategic objectives	One political stakeholder/partner does not support	
1. Insignificant	No risk of injury. H&S compliant	External Stakeholders not aware of	No adverse media or trade press reporting.	No threat of legal action	Between £0 and £1,000	Project continue to align to objectives	No threat of political issues	Permissions likely to be received and no environmental harm

Risk Likelihood Criteria / Definitions

Likelihood:	Description:
5. Almost certain	<ul style="list-style-type: none"> • A history of it happening across the organisation • The event is expected to occur • 80% - 100% probability
4. Likely	<ul style="list-style-type: none"> • Has happened across the organisation in the recent past • The event will probably occur in most circumstances • 60% - 80% probability
3. Possible	<ul style="list-style-type: none"> • Happened across the organisation in the past • The event should occur at some time • 40% - 60% probability
2. Unlikely	<ul style="list-style-type: none"> • May have happened across the organisation in the past • The event could occur at some time • 20% - 40% probability
1. Rare	<ul style="list-style-type: none"> • History of it happening across the organisation • The event may occur only in exceptional circumstances • < 20% probability



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.4

University of Peterborough - Finalisation and completion of legal documentation for the Peterborough HE Property Company (PropCo1)

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25th January 2023

Lead Member: Councillor Anna Smith, Statutory Deputy Mayor

From: Rachael Holliday, SRO Higher Education

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

Delegate authority to the Director of Housing and Development, in consultation with the Monitoring Officer and the Deputy Finance Officer, to sign a Development Management Agreement between CPCA and PropCo1 (Peterborough HE Property Company Limited).

Voting arrangements: A simple majority of Members present and voting.

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

1. Purpose

- 1.1 The Combined Authority Board's approval is sought to delegate to the Director of Housing and Development (in consultation with the Monitoring Officer and Chief Finance Officer) to sign a Development Management Agreement (DMA) between CPCA and the Peterborough HE Property Company Limited (PropCo1). The DMA relates to programme, development management, finance and company secretarial services provided by the combined authority to PropCo1 since the incorporation of the Phase 3 Living Lab.

2. Background

- 2.1 Peterborough City Council (PCC) have secured £20m funding from the Levelling Up Fund for Phase 3 Living Lab, which will provide a second teaching building for the new ARU Peterborough campus. Almost £8m of investment has been secured from the other PropCo1 shareholder partners, the combined authority, and Anglia Ruskin University. Delivery will be enabled through the currently established jointly owned higher education property vehicle PropCo1.
- 2.2 At the Combined Authority Board meeting on 26th January 2022 consent, as shareholder, was given to these changes in the allotment of shares and the consequential changes to the original Shareholders Agreement between the parties to provide continuing shareholder protections to the combined authority. At this meeting, the Combined Authority Board gave delegated authority for amending the legal documents and subsequently the Shareholder Agreement (SHA) was agreed by the Chief Executive under ref ODN350-2022. However, the updates to the Development Management Agreement were excluded as the necessary work to identify the services and their value had not been calculated.
- 2.3 The services to be provided by the Combined Authority up to December 2025 are now calculated as £300,000.00. A copy of the DMA is included in Appendix 1. To complete the necessary governance requirements set out in the original approval and to formalise the DMA between the parties it is necessary to obtain Combined Authority Board approval for the DMA to be agreed and signed.

Significant Implications

3. Financial Implications

- 3.1 Staff costs associated with the services being provided by the Combined Authority have been charged and paid for by PropCo1 since its incorporation. Remaining costs up to December 2025 are budgeted for in the company's business plan.
- 3.2 Any further services relating to the further development of PropCo1 Business Plan will be subject to a further agreement.

4. Legal Implications

- 4.1 The DMA sits within PropCo1 Shareholder Agreement and Articles of Association, which are already agreed by the combined authority and company shareholders. The DMA has

been drafted by Pinsent Masons, reviewed by CPCA Legal Team and approved by PropCo1 Directors.

5. Public Health Implications

- 5.1 The University of Peterborough through local employment, training and education opportunities will encourage healthy lifestyles and behaviours in all actions and activities while respecting people's personal choices.

6. Environmental and Climate Change Implications

- 6.1 The University of Peterborough, through local employment, training and education opportunities will support local and environmentally sustainable choices regarding travel and transport. The design of the building will meet BREEAM Excellent standards. As the University Campus develops over time there are further strategies in place to work with the University Partners and the tenants of the Research & Development Centre, for the site and buildings to have net carbon zero impact by 2030.
- 5.2 The Centre will focus on Net Carbon Zero Manufacturing, with the aim of attracting further investment into the local area in this developing sector.

7. Other Significant Implications

- 7.1 There are no other significant implications.

8. Appendices

- 8.1 Appendix 1 – Development Management Agreement between CPCA and the Peterborough HE Property Company Limited (PropCo1).

9. Background Papers

- 9.1 [CA Board 26 January 2022 - Phase 3 Living Lab](#)
- 9.2 [Officer Decision Notice ODN350-2022 University Phase 3](#)

DATED 2023

(1) CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

(2) PETERBOROUGH HE PROPERTY COMPANY LIMITED

DEVELOPMENT MANAGEMENT AGREEMENT
relating to services to be provided to Peterborough HE
Property Company Limited



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THIS AGREEMENT is made on

2020

BETWEEN:-

- (1) **CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY** of 72 Market Street, Ely, Cambridgeshire, CB7 4LS (the "**CPCA**");
 - (2) **PETERBOROUGH HE PROPERTY COMPANY LIMITED** incorporated in England and Wales under number 12682783 whose registered office is at 72 Market Street, Ely, Cambridgeshire, CB7 4LS ("**PropCo1**"); and
- together the "**Parties**".

WHEREAS:-

- (A) PropCo1 wishes to appoint the CPCA to provide the Services to PropCo1 on the terms and conditions set out in this Agreement.

IT IS AGREED as follows:-

1. **DEFINITIONS AND INTERPRETATION**

This Agreement shall be interpreted according to the provisions of Schedule 1.

2. **APPOINTMENT OF THE DEVELOPMENT MANAGER**

2.1 PropCo1 appoints the CPCA on an exclusive basis as PropCo1's property and development manager for the Site through the provision of the Services to PropCo1 upon the terms and conditions set out in this Agreement and the CPCA hereby accepts its appointment and agrees to provide the Services to PropCo1 throughout the Term of this Agreement in accordance with the terms and conditions set out in this Agreement.

2.2 The CPCA shall be an independent contractor with respect to the provision of the Services to PropCo1. Neither the CPCA nor its employees shall be deemed to be the servants, agents or employees of PropCo1 (save as expressly set out in this Agreement).

2.3 The CPCA shall provide and deliver the Services and all such other services as are reasonably incidental to or reasonably flow from those set out in Schedule 2.

2.4 Without prejudice to the other provisions of this Agreement, the CPCA will carry out the Services in accordance with the terms of this Agreement and in such a manner as to achieve any objectives contained within any Business Plan.

2.5 The CPCA shall neither act nor hold itself out as having authority to act on behalf of PropCo1 in any manner which is beyond the express scope of this Agreement unless otherwise instructed to do so by PropCo1.

2.6 Subject to the CPCA's obligations under this Agreement, nothing in this Agreement shall otherwise prevent the CPCA from providing any services whatsoever to any other person(s).

3. **TERM**

3.1 This Agreement commences on the Commencement Date and shall continue until 30 December 2025 unless terminated in accordance with clause 10. The parties may extend the term of the Agreement and any revisions to the Services (and associated Charges) by agreement in writing.

4. OBLIGATIONS AND DUTIES OF THE DEVELOPMENT MANAGER

4.1 General

4.1.1 The CPCA use the reasonable skill and care in performing the Services and its obligations in under this Agreement.

4.1.2 The CPCA shall, exercising the standard of care required by clause 4.1.1:

(a) act in such a manner as to implement and deliver the requirements of the Business Plan;

(b) act within the parameters of and in a manner consistent with the Business Plan;

(c) comply with the Shareholders' Agreement,

insofar as the Business Plan and Shareholders' Agreement relate to the Services.

4.1.3 In the performance of the Services, subject always to the standard of care specified by clause 4.1.1, the CPCA shall:

(a) devote such time and attention as may be reasonably necessary for the proper performance of the Services;

(b) act at all times in good faith towards PropCo1 with due regard to the provisions of the Shareholders' Agreement and the Business Plan;

(c) comply with the proper and lawful instructions of and implement the proper and lawful decisions of PropCo1 in relation to the management of the Site;

(d) notwithstanding any other provision of this Agreement (and unless prior written consent has been obtained from PropCo1 to extend its authority) ensure that the CPCA acts at all times in accordance with its permitted authorities as set out in this Agreement and within all reasonable and proper instructions of PropCo1;

(e) act at all times in accordance with the Law;

(f) comply with the Procurement Policy;

(g) set up and maintain policies and procedures covering the following matters and ensure that the terms and implementation of such procedures comply with the Law and that they are published in written form and that copies of them (and any revisions and amendments to them) are forthwith issued to PropCo1:-

(i) equality, diversity and equal opportunities;

(ii) health and safety;

(iii) whistleblowing and confidential reporting policies;

(iv) anti-fraud, bribery and corruption; and

(v) information and data security;

- (h) report to PropCo1 promptly in writing any issue arising under any of the CPCA's policies and procedures as specified in paragraph (g) that relates to or affects the Services together with the CPCA's response to the relevant issue;
- (i) give such general advice and assistance to PropCo1 in connection with the Site as may lie within the field of the CPCA's qualifications, competence and experience and as PropCo1 may from time to time reasonably request;
- (j) have regard to the principles of good estate management and professional codes of conduct and/or guidelines laid down from time to time by the Royal Institution of Chartered Surveyors (or its successor body from time to time) as applicable to its performance of the Services.

4.2 Service Delivery

In the performance of the Services, subject always to the standard of care specified by clause 4.1.1, the CPCA shall:-

- 4.2.1 co-operate in good faith with any relevant consultants, professionals or contractors appointed by PropCo1;
- 4.2.2 employ and/or engage a sufficient number of suitably qualified persons to provide the Services; and
- 4.2.3 use reasonable endeavours to comply with such timescales for the delivery of the Services as is set out in the Business Plan, or as may be agreed with PropCo1 in relation to the provision of the Services from time to time.

5. CHARGES

5.1 The charges payable by PropCo1 in respect of the Services are contained in Schedule 3 and may be increased by CPCA under clause 5.5.

5.2 The Charges are exclusive of VAT (or equivalent sales tax). PropCo1 shall pay any applicable VAT (or equivalent sales tax) to CPCA on receipt of a valid VAT invoice.

5.3 Where the Charges are calculable on a time and materials basis, CPCA shall keep time sheets showing the hours worked by each of member of CPCA staff in respect of the provision of the corresponding Services.

5.4 CPCA shall be entitled to be reimbursed by PropCo1 for all out-of-pocket expenses (including travelling and entertainment expenses, but not parking fines or road traffic offence fines) incurred by CPCA and CPCA's personnel in the proper provision of the Services, subject to the production of such receipts or other evidence as PropCo1 may reasonably require and will include any such expenses on invoices rendered.

5.5 CPCA, acting reasonably, may increase the Charges with immediate effect by written notice to PropCo1 where there is an increase in the direct cost to CPCA of supplying the relevant Services and which is due to any factor beyond the reasonable control of CPCA.

5.6 Subject to agreement in writing between PropCo1 and ARU Peterborough to the provisions set out in this clause 5.6, the parties agree that if ARU Peterborough serves a Postponement Notice (as defined in the Agreement for Lease) to PropCo1 in accordance with the Agreement for Lease, CPCA shall continue to provide the Services until actual completion of the Lease (or if earlier the date that the Agreement for Lease is terminated) on the basis that the CPCA's additional costs in doing so shall be shared equally between ARU Peterborough and PropCo1 (with such additional costs to be agreed between the Parties).

6. PAYMENT

- 6.1 CPCA may issue its invoice for the Services on a quarterly basis.
- 6.2 PropCo1 shall pay all invoices:
- 6.2.1 in full in cleared funds within 30 days of the date of each invoice; and
- 6.2.2 to the bank account nominated by CPCA.
- 6.3 Time of payment is of the essence. Where sums due hereunder are not paid in full by the due date:
- 6.3.1 CPCA may, without limiting its other rights, charge interest on such sums at 5% percentage points a year above the base rate of the Bank of England from time to time in force; and
- 6.3.2 interest shall accrue on a daily basis, and apply from the due date for payment until actual payment in full, whether before or after judgment.

7. OBLIGATIONS OF PROPCO1

7.1 During the Term, PropCo1 agrees to purchase the Services on the terms set out in this Agreement.

7.2 Subject always to Clause 8 PropCo1 shall:-

7.2.1 supply or arrange for others to supply to the CPCA, without charge, and in such reasonable time so as not to prevent, delay or disrupt the performance of the Services, all data, information and records relating to the Site (or part thereof) (or copies thereof) which are:-

- (a) in its possession or under its control; and
- (b) which are reasonably requested from time to time by the CPCA

where such property or properties are within the control of PropCo1, ensure that the CPCA has access to the Site (or any relevant part of the Site) as may be necessary for the proper performance of its duties and obligations under this Agreement; and

7.2.2 where PropCo1 requires the CPCA to comply with any proper reasonable and lawful instruction or direction where the subject matter of such instruction or direction is not set out in the scope of the Services to be provided by the CPCA in Schedule 2 and the cost of complying with such instruction or direction will incur an additional cost, ensure that the CPCA has the funds it reasonably requires to comply with such instruction or direction.

7.3 In relation to carrying out its duties as CPCA, PropCo1 shall:

7.3.1 provide to the CPCA (and procure that the Shareholders provide to the CPCA) any relevant information required by it to carry out its duties under this Schedule 2;

7.3.2 give CPCA access to its books and records;

7.3.3 give notice to the CPCA of all meetings of PropCo1 Board and the Shareholders and invite CPCA to attend (whether in person or by telephone conference or otherwise); and

7.3.4 give the original copy of any written resolution of PropCo1 Board or Shareholders to the CPCA,

in each case strictly subject to the confidentiality requirements under clause 12 of this Agreement.

8. LIMITATIONS

8.1 Notwithstanding any other provision of this Agreement, the CPCA shall not, when carrying out and performing its obligations and duties under this Agreement, expend on behalf of PropCo1 or commit PropCo1 to expend in any way whatsoever, any sum of money to any third party save:-

8.1.1 where and to the extent that such expenditure has either been approved in writing by PropCo1 or is included in a written instruction or direction issued by PropCo1; or

8.1.2 where and to the extent that such expenditure is contained in the Approved Budget set out in a Business Plan.

9. LIABILITY

9.1 Subject to Clause 9.2 and 9.2, the extent of a Party's liability under or in connection with this Agreement for all claims, whether in contract, tort (including negligence) or otherwise, shall not exceed the amount which has been paid to CPCA under this Agreement in aggregate.

9.2 Nothing in this Agreement shall exclude or limit the liability of any Party for:-

9.2.1 death or personal injury caused by its negligence (or that of its contractors, agents or employees); or

9.2.2 fraud or fraudulent misrepresentation; or

9.2.3 any other losses which cannot be excluded or limited by applicable law.

10. DURATION AND TERMINATION

10.1 This Agreement shall commence on the Commencement Date and shall continue in force until the earliest to occur of:-

10.1.1 the date agreed in writing between the Parties; or

10.1.2 a date or event specified in this Clause 10.

10.2 Without prejudice to any other rights or remedies of the Parties but subject to Clause 10.3, this Agreement may be terminated forthwith (either in whole or in relation to certain Services only) by notice in writing by PropCo1 in the event of:-

10.2.1 the CPCA:-

(a) being in breach of any material obligation under this Agreement which is not capable of remedy; and/or

(b) being in breach of any material obligation under this Agreement which is capable of remedy and the CPCA has failed to remedy such breach within such period as is specified by PropCo1 in a written notice specifying the breach and requiring its remedy (and of no less than thirty (30) Business Days following the service of such notice); and/or

(c) being in breach of any of its obligations to carry out the Services under or in accordance with this Agreement which materially and adversely affects the delivery of any Business Plan; and/or

(d) being in breach of obligations under this Agreement to:-

(i) act in accordance with the parameters of the Business Plan;
or

(ii) not incur costs on behalf of PropCo1 which are in excess of those set out in the Approved Budget or which are not approved in writing by PropCo1);

10.2.2 the CPCA (including its directors or any persons with powers of representation, decision or control of the CPCA) committing or knowingly permitting any act to be committed which is fraudulent; and/or

10.2.3 the CPCA bringing the standing of PropCo1 or the Shareholders into serious disrepute and following the service upon it of written notice from such party informing the CPCA that this is the case, the CPCA failing to remedy or change the matter, event or circumstance which has caused such serious disrepute within twenty ([20]) Business Days of the date of service of such notice. For the avoidance of doubt, this provision shall not apply where the action taken by the CPCA which causes such disrepute was undertaken at the written request of the PropCo1 Board or was particularly specified in the Business Plan.

10.3 In the event of a Termination Event under the Shareholders' Agreement the Parties agree that this Agreement shall continue only to the extent required for the CPCA to manage the completion of the Works or Services. In these circumstances, this Agreement will automatically terminate with immediate effect after the completion of such Works.

10.4 Notwithstanding any other provision of this Agreement, where the CPCA ceases to be a Shareholder then PropCo1 shall be entitled to terminate this Agreement on thirty (30) Business Days' written notice to the CPCA.

11. CONSEQUENCES OF TERMINATION

11.1 On a termination of this Agreement (whether in whole or in part) PropCo1 shall be entitled to engage a third party development manager for the Site (in respect of those Services which have been terminated pursuant to Clause 10).

11.2 Upon any termination of this Agreement (whether in whole or in part) for whatever reason:-

11.2.1 the CPCA shall take action to:-

(a) wind-up the terminated Services in a professional manner; and

(b) on the reasonable instruction of PropCo1, hand over all relevant information and documents regarding the Site or the Services performed up to the date of termination (including any Confidential Information) to PropCo1, any third party development manager engaged by PropCo1 or a Shareholder,

in an orderly and timely manner (with effect from the date of the appointment of such third party development manager, where relevant); and

11.2.2 cause to be delivered to PropCo1 all Confidential Information, relevant documents, records, information, data, drawings, specifications, calculations, and other materials under its control and relating to the Site (whether in the course of preparation or completed) including any copies thereof (whether electronic or otherwise).

11.3 Termination of this Agreement (in whole or in part) for any reason whatsoever shall be without prejudice to the accrued rights or claims of any Party hereto in relation to any act or omission of the other prior to such termination.

11.4 Notwithstanding the termination of this Agreement, the provisions of this Agreement shall continue to bind each Party insofar as and so long as may be necessary to give effect to their respective rights and obligations hereunder.

12. **CONFIDENTIALITY**

12.1 The Recipient undertakes that it shall:

12.1.1 keep the Confidential Information confidential at all times;

12.1.2 not disclose (whether directly or indirectly) the Confidential Information or allow it to be disclosed in whole or in part to any third party without the Discloser's prior written consent

12.1.3 take and maintain proper and reasonable measures to ensure the confidentiality of the Confidential Information, including any security measures requested in writing from time to time by the Discloser of the Confidential Information;

12.1.4 not copy or reproduce in any form the Confidential Information except to the extent strictly necessary for the Purpose (and the Recipient acknowledges that any such copies or reproductions are the property of the Discloser);

12.2 A party may disclose the other party's Confidential Information to any of its authorised persons who need to know the relevant Confidential Information for the Purpose, provided that such party shall ensure that each of its Authorised Persons to whom Confidential Information is disclosed is aware of its confidential nature and complies with this clause 12 as if it were the Recipient.

12.3 The Recipient may disclose any Confidential Information which it is required to disclose by law, any court, any governmental, regulatory or supervisory authority (including any securities exchange) or any other authority of competent jurisdiction, or which the Discloser expressly agrees in writing may be disclosed (provided that such permission is provided in advance of any disclosure by a Recipient).

12.4 Upon the expiry or termination of this Agreement (howsoever caused) or upon receipt by the Recipient of an earlier written demand from the Discloser:

12.4.1 a Recipient must return or procure the return to the Discloser or, as the Discloser may require, destroy or procure the destruction of any and all materials containing the Confidential Information together with all copies;

12.4.2 if a Discloser requires, the Recipient must provide the Discloser with a certificate or such other evidence as the Discloser may reasonably require duly signed or executed by an officer of the Recipient confirming that the Recipient has complied with all of its obligations under this Agreement including about return, destruction and deletion of Confidential Information;

12.4.3 the Recipient must delete or procure the deletion of all electronic copies of Confidential Information; and

12.4.4 the Recipient must not make, and must procure that the Authorised Persons do not make any further use of the Confidential Information.

13. **FORCE MAJEURE**

13.1 If by reason of a Force Majeure Event occurring on or after the Commencement Date a Party is wholly or partially unable to carry out its obligations under this Agreement (the "**Affected Party**") then the Affected Party shall promptly serve notice in writing to the other Party, setting out:-

13.1.1 the particulars of the Force Majeure Event and its effect upon its performance under this Agreement; and

13.1.2 to the extent known, the expected duration of the Affected Party's failure to perform.

13.2 An Affected Party shall not be entitled to relief under Clause 13.4 for any failure or delay in complying with its obligations under or in accordance with this Agreement until the notice specified in Clause 13.1 has been provided to the other Party.

13.3 The Affected Party shall:-

13.3.1 make reasonable efforts to prevent, remove, avoid and mitigate the effects of any Force Majeure Event including recourse to alternative acceptable sources of services, equipment, supplies and materials and the payment of reasonable sums of money;

13.3.2 use reasonable efforts to ensure a prompt resumption of normal performance of this Agreement after the cessation of a Force Majeure Event; and

13.3.3 when reasonably requested by another Party, provide that Party with notice more fully describing the relevant Force Majeure Event, its cause, the efforts being made to remove, avoid and mitigate its effects and an estimate of the duration of the Force Majeure Event.

13.4 Following the service of notice in accordance with Clause 13.1 and provided that the Affected Party has complied with the provisions of Clause 13.3, the Affected Party shall not be liable for any cost, expense or damages, failure or delay in complying with its obligations under or in accordance with this Agreement to the extent that it is prevented from or delayed in performing its obligations by one or more Force Majeure Events and its or their effects or by any combination of those events and effects. Such obligations shall be suspended for such period or periods as may be required for the Affected Party to overcome the effects of such Force Majeure Event provided, however, that:-

13.4.1 the suspension of performance is of no greater scope and of no longer duration than the Force Majeure Event and the time reasonably necessary to attend to the consequences of such Force Majeure Event;

13.4.2 no relief shall be granted to a Party in accordance with this Clause to the extent that such failure or delay would have been experienced by such Party even if such Force Majeure Event had not occurred; and

13.4.3 in the event that the Affected Party gives notice under Clause 13.1 and the relevant Force Majeure Event continues for a continuous period of three months during which the Affected Party is unable to perform its obligations under this Agreement, then any Party shall be entitled to terminate this Agreement by notice in writing.

13.5 The Affected Party shall promptly serve notice in writing to the other Party following:-

13.5.1 the cessation of the relevant Force Majeure Event; and

13.5.2 the cessation of the effects of such Force Majeure Event on the enjoyment by such Affected Party of its rights or the performance by it of its obligations under this Agreement.

14. **NO PARTNERSHIP**

Nothing in this Agreement is intended to create a partnership or joint venture of any kind between the Parties. Except where expressly so stated in this Agreement neither Party will have authority to act in the name or on behalf of or otherwise to bind the other.

15. **VARIATIONS**

15.1 Any additions, amendments and variations to this Agreement shall be binding only if in writing and signed by the duly authorised representatives of PropCo1 and the CPCA (in non electronic format).

15.2 This Agreement supersedes any previous agreements or arrangements between the Parties in respect of the Services and represents the entire understanding and agreement between the Parties in relation thereto.

16. COUNTERPARTS

This Agreement may be executed in the form of two or more counterparts, each executed by one or more of the Parties but, provided that if all Parties shall so enter the Agreement, each of the executed counterparts shall be deemed to be an original but, taken together, they shall constitute one document.

17. THIRD PARTY RIGHTS

18. No term of this Agreement is intended to confer a benefit on, or be enforceable by, any person who is not a party to the Agreement (whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise).

19. INVALIDITY AND SEVERANCE

If any provision of this Agreement is held to be unenforceable or illegal, in whole or in part, such provision or part shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall remain unaffected.

20. GOVERNING LAW AND JURISDICTION

21. This Agreement, and the relationship between the parties, shall be governed by the laws of England and each party agrees that all disputes arising out of or in connection with this Agreement, and/or with its negotiation, validity or enforceability, and/or the relationship between the parties, (in each case whether or not regarded as contractual claims) shall be exclusively governed by and determined in accordance with English law. Each party expressly submits to the exclusive jurisdiction of the English Courts.

EXECUTED by or on behalf of the Parties on the date which first appears in this Agreement.

EXECUTED by)
CAMBRIDGESHIRE AND PETERBOROUGH)
COMBINED AUTHORITY acting by:)
)

Authorised Officer

EXECUTED by)
PETERBOROUGH HE PROPERTY COMPANY)
LIMITED acting by a director:)
)

Director

SCHEDULE 1

DEFINITIONS AND INTERPRETATION

21.1 In this Agreement (including in the Schedules), the following words, expressions and meanings shall, unless the context otherwise requires and/or save where expressed otherwise, have the meanings set opposite them:-

"Affected Party"	has the meaning given to it in Clause 13.1
"Agreement"	means this deed (including any Schedule to it), as amended, varied, supplemented or replaced from time to time in accordance with its terms
"Agreement for Lease"	means the agreement for lease between PropCo1 and ARU Peterborough entered into as at the date of this Agreement
"Approved Budget"	means the budget approved by the Board of Directors of PropCo1 from time to time
"ARU Peterborough"	means ARU Peterborough, a company limited by guarantee with company number 13086149 and with its registered office at Bishops Hall Lane, Chelmsford Essex, CM1 1SQ
"Business"	means the business of PropCo1 as more particularly defined in the Shareholders' Agreement
"Business Day"	means 9.00 am to 5.00 pm on any day (other than a Saturday) on which clearing banks in the City of London are open for the transaction of normal sterling banking business and "Business Days" shall be construed accordingly
"Business Plan"	has the meaning given to it in the Shareholders' Agreement
"Commencement Date"	means the date of this Agreement
"Confidential Information"	means all information whether in writing, electronic or data form or otherwise (including but not limited to know-how) (not in the public domain otherwise than as a consequence of a breach by the CPCA of its obligations under this Agreement) which may be imparted in confidence or be of a confidential nature relating to the Business or plans or internal affairs of PropCo1 or its Shareholders including but without limitation, all information of a confidential nature relating to the Development, marketing information, unpublished information relating to the Business, to PropCo1 or its Shareholders or to any actual or potential customer, tenant or landlord or supplier or officer or employee of PropCo1 or its Shareholders
"Delegation Policy"	means any delegation policy of PropCo1, adopted by the Shareholders from time to time
"Development"	means the development of the Site or part of a Site to be carried out by or on behalf of PropCo1 from time to time
"Discloser"	means the discloser of Confidential Information
"Force Majeure Event"	means the occurrence after the Commencement Date of:-

	<p>(1) war, civil war, armed conflict or terrorism;</p> <p>(2) lightning, earthquake, fire, flood, storm or extreme weather condition;</p> <p>(3) pressure waves caused by devices travelling at supersonic speeds</p>
"Law"	means any applicable Act of Parliament, sub-ordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, exercise of the Royal Prerogative, enforceable community right within the meaning of section 2 of the European Communities Act 1972, bye-law, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body which the CPCA is bound to comply with and/or which relate to or affect the Service
"Lease"	means the lease of the Property as annexed to the Agreement for Lease
"PropCo1 Board"	means the board of PropCo1 set up and maintained by PropCo1 in accordance with the provisions of the Shareholders' Agreement
"Purpose"	means
"Procurement Policy"	means the procurement policy of PropCo1 adopted by the Shareholders from time to time
"Recipient"	means the recipient of Confidential Information
"Service Media"	means apparatus and conducting media for the passage of foul and surface water, drainage, electricity, gas, water and telecommunications and any other services and supplies of whatsoever nature
"Services"	means services outlined in Schedule 2 to be provided by CPCA to PropCo1 (and any other services as may be agreed between PropCo1 and the CPCA from time to time) to be delivered in accordance with this Agreement
"Shareholders' Agreement"	means the Shareholders' Agreement dated on or around the date of this Agreement and entered into between (1) CPCA; (2) Peterborough City Council; (3) Anglia Ruskin University and (4) PropCo1 as such agreement may be varied or supplemented from time to time
"Shareholders"	means the shareholders of PropCo1 from time to time and "Shareholder" shall be construed as referring to one of them as the context may require
"Site"	means the land and buildings on The Embankment, lying to the north of the River Nene and south of Bishops Road, Peterborough
"Termination Date"	means the date at which this Agreement terminates or expires (howsoever arising)
"Termination Event"	shall have the meaning given to it in the Shareholders' Agreement

"VAT"

means Value Added Taxes provided for in the Value Added Taxes Act 1994

"Works"

means all construction works required to implement the Development including (without limitation) the demolition of existing buildings and structures on the Site, site clearance, site preparation, and the diversion of any Service Media

21.2 **Clause 1** of the Shareholders' Agreement shall apply *mutatis mutandis* to this Agreement.

SCHEDULE 2

SERVICES

CPCA shall carry out and complete the Services listed below and all such other services as are reasonably incidental to or reasonably flow from those set out below.

1. DEVELOPMENT MANAGEMENT

1.1 Identifying improvement and value enhancement opportunities during the development of the Site

1.2 Managing MACE Limited's appointment under its contract of engagement for project review and delivery management services with PropCo1, including giving instructions to MACE Limited under MACE Limited's contract of engagement for and on behalf of PropCo1.

1.3 Formulating proposals for such opportunities including financial appraisal, cashflow models, forecasts and design specifications.

1.4 To act as the main point of contact and coordination for PropCo1, between development manager, employer's agent, and developer.

2. REPORTING

2.1 Preparing monthly performance reports (or otherwise with such frequency as may be agreed with PropCo1 from time to time) and attending board meetings of PropCo1 to discuss such reports where required. Such reports to include:-

2.1.1 Services:-

(a) performance and delivery of the Services; and

(b) achievement of any development milestones;

2.2 The CPCA will also be required to contribute as reasonably required by PropCo1 in respect of the annual report and accounts for PropCo1.

2.3 The CPCA will provide to PropCo1 monthly cashflow schedules showing the monthly anticipated cashflow over the period covered by monthly budget forecasts.

2.4 Subject to the Delegation Policy, checking and signing off all invoices payable by PropCo1, and if correct sending them to the nominated person for payment.

2.5 Providing such information and reporting as PropCo1, PropCo1 Board or its Shareholders shall reasonably require to allow them to fulfil their obligations and make informed decisions.

3. BUSINESS PLAN

3.1 Producing the Business Plan for a half yearly review/update (and such further updates as may be required pursuant to the terms of the Shareholders' Agreement) and providing such Business Plan to PropCo1 for its approval.

3.2 Procuring the provision to PropCo1 of a financial model and updating it in line with the Business Plan on a half yearly basis and for actual expenditure on a quarterly basis.

4. ACCOUNTING SERVICES

4.1 The Accounting Services shall comprise:

- 4.1.1 maintaining the books of account of PropCo1;
- 4.1.2 preparing a draft of the Annual Accounts for each Financial Year;
- 4.1.3 keeping a record of each Shareholder's shareholdings and all dividends in accordance with the Shareholders' Agreement;
- 4.1.4 such additional accounting services as may be agreed by PropCo1 and the CPCA, provided that an additional fee for those additional accounting services shall be agreed at the relevant time.

5. **COMPANY SECRETARIAL**

5.1 The Company Secretarial Services shall comprise:

- 5.1.1 preparing and circulating agendas and keeping minutes of all PropCo1 Board meetings and copies of all resolutions passed at PropCo1 Board meetings;
- 5.1.2 preparing and circulating agendas and keeping minutes of all meetings of the Shareholders and copies of all resolutions passed at meetings of the Shareholders;
- 5.1.3 preparing and making all Companies House filings on behalf of PropCo1 in accordance with the Act;
- 5.1.4 keeping a register of Shareholders of PropCo1 in accordance with the Act;
- 5.1.5 registering PropCo1 as a contractor for the purposes of the Construction Industry Scheme; and
- 5.1.6 such additional company secretarial services as may be agreed by PropCo1 and CPCA, provided that an additional fee for those additional company secretarial services shall be agreed at the relevant time.

6. **TAX SERVICES**

6.1 The Tax Services shall comprise:

- 6.1.1 to prepare (at the cost of PropCo1) for submission, within the requisite statutory period all tax returns, elections, documentation (including the matters dealt with in the Capital Allowances Act 2001) to HM Revenue & Customs on behalf of PropCo1 as may be required by law and regulation or requested by PropCo1 and to deal with all correspondence, disputes or negotiations with HM Revenue & Customs;
- 6.1.2 to prepare (at the cost of PropCo1) for submission within the requisite statutory period of all returns, claims, forms, elections, options to tax and other documentation in respect to VAT to HM Revenue & Customs on behalf of PropCo1 as may be required by law and regulation or requested by PropCo1 and to deal with all correspondence, disputes or negotiations with HM Revenue & Customs;
- 6.1.3 to provide to the Shareholders such information in CPCA's possession as is reasonably necessary to enable the Shareholders within the requisite statutory periods to file tax returns, elections and other documentation; and
- 6.1.4 to provide to HM Revenue & Customs in writing such information in CPCA's possession as shall be required by law and regulation concerning the Shareholders including (without limitation) the name, address, tax district and reference of each Shareholder in so far as such information is produced to CPCA.

6.2 In relation to the Tax Services:

6.2.1 PropCo1 acknowledges and agrees that the CPCA will prepare all tax returns, elections and other documentation based on PropCo1's books and records and other information from PropCo1 without separate verification of the relevant information;

6.2.2 the CPCA's obligations in relation to the Shareholders is limited to the provision of information on behalf of PropCo1. The Shareholders shall be responsible for the preparation and submission of their own tax returns, elections and other documentation; and

6.2.3 the CPCA may appoint a specialist tax advisor on behalf of PropCo1. The fees of the appointed specialist tax advisor from time to time will be paid by PropCo1.

7. ADMINISTRATION

7.1 The Administration Services shall comprise:

7.1.1 to open maintain and close bank accounts for and in the name of PropCo1, co-ordinate payments of monies and to draw cheques and other orders for the payment of monies by PropCo1;

7.1.2 to operate the accounts of PropCo1 in a manner consistent with the payment provisions contained in any loan agreements entered into by PropCo1 provided that the CPCA has been supplied with a full copy of such loan agreements and, when required by the CPCA, has received advice from PropCo1's lawyers summarising the relevant payment provisions of such loan agreements; and

7.1.3 arrange payment of the distribution of PropCo1's net profits to the Shareholders in accordance with the agreed dividend policy and following approval by PropCo1 Board.

7.2 In relation to the Administration Services, the CPCA is authorised to make payments and otherwise operate PropCo1's bank accounts in accordance with:

7.2.1 PropCo1's approved budget from time to time; or

7.2.2 the terms of any approval or instruction given by PropCo1 Board from time to time.

SCHEDULE 3

CHARGES

For the period to 30 December 2025 the charges shall be

Description	Phase 1 – Until Dec 23	Phase 3 – Until Dec 25	Total
Development, Programme Management, Financial & Company Secretarial Services	£331,078.00	£300,000.00	£631,078.00



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.5

University of Peterborough - finalisation and completion of legal documentation for the Peterborough R&D Property Company (PropCo2)

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25th January 2023

Lead Member: Councillor Anna Smith, Statutory Deputy Mayor

From: Rachael Holliday, SRO Higher Education

Key decision: No

Forward Plan ref: Not applicable

Recommendations: The Combined Authority Board is recommended to:

Delegate authority to the Director of Housing and Development, in consultation with the Monitoring Officer and Chief Finance Officer, to sign a Development Management Agreement between the CPCA and PropCo2 (Peterborough R&D Property Company Limited).

Voting arrangements: A simple majority of Members present and voting.

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

1. Purpose

- 1.1 The Combined Authority Board's approval is sought to delegate to the Director of Housing and Development (in consultation with the Monitoring Officer and Chief Finance Officer) to sign a Development Management Agreement (DMA) between CPCA and the Peterborough R&D Property Company Limited (PropCo2). The DMA relates to programme, development management, finance and company secretarial services provided by the combined authority to PropCo2.

2. Background

- 2.1 The Combined Authority is working to deliver a new University of Peterborough and on behalf of the project, secured Local Growth Funding (LGF) of £14.6m to deliver the project through the Getting Building Funding from the Ministry of Housing, Communities and Local Government (MHCLG).
- 2.2 On 5th November 2020 the Mayor, using his general power of competence having consulted with the Combined Authority Board Members at the Leaders' Strategy Meeting on 28th October 2020, approved £14.6 million Getting Building Funding into the University of Peterborough Manufacturing & Materials Research & Development Centre project (now known as the Peterborough Innovation & Research Centre). This was ratified at the Combined Authority Board on 25th November 2020 and the incorporation of PropCo2 to the Peterborough HE Property Company Limited, trading as Peterborough R&D Property Co Limited, followed shortly after.
- 2.3 At the Combined Authority Board meeting on 27th January 2021, the Board provided delegated authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Section 73 Officer and the Monitoring Officer, to develop the necessary legal documentation for the Peterborough R&D Property Company. The Shareholders Agreement including the Articles of Association were agreed shortly afterwards, however the Development Management Agreement between the parties was excluded because the work to identify the services and their value could not be calculated.
- 2.4 With the Peterborough Innovation & Research Centre near to practical completion, the agreed services provided for by the combined authority and paid for by PropCo2 up to December 2023 amount to £304,167.00. A copy of the DMA is included in Appendix 1. To complete the necessary governance requirements set out in the original approval and to formalise the DMA between the parties it is necessary to obtain Combined Authority Board approval for the DMA to be agreed and signed.

Significant Implications

3. Financial Implications

- 3.1 Staff costs associated with the services being provided by the combined authority have been charged and paid for by PropCo2 since its incorporation. Remaining costs up to December 2023 are budgeted for in the company's business plan.
- 3.2 Any further services relating to the further development of PropCo2 Business Plan will be subject to [a](#) further agreements.

4. Legal Implications

- 4.1 The DMA sits within PropCo2 Shareholder Agreement and Articles of Association, which are already agreed by the combined authority and company shareholders. The DMA has been drafted by Pinsent Masons, reviewed by CPCA Legal Team and approved by PropCo2 Directors.

5. Public Health Implications

- 5.1 The Peterborough Innovation & Research Centre, through local employment, training and education opportunities will encourage healthy lifestyles and behaviours in all actions and activities while respecting people's personal choices.

6. Environmental and Climate Change Implications

- 6.1 The Peterborough Innovation & Research Centre, through local employment, training and education opportunities will support local and environmentally sustainable choices regarding travel and transport. The design of the building will meet BREEAM Excellent standards. As the University Campus develops over time there are further strategies in place to work with the University Partners and the tenants of the Research & Development Centre, for the site and buildings to have net carbon zero impact by 2030.
- 6.2 The Centre will focus on Net Carbon Zero Manufacturing, with the aim of attracting further investment into the local area in this developing sector.

7. Other Significant Implications

- 7.1 There are no other significant implications.

8. Appendices

- 8.1 Appendix 1 – Development Management Agreement (DMA) between the CPCA and PropCo2

9. Background Papers

- 9.1 [CA Board 9 July 202 - Funding and Local Growth Fund](#)
- 9.2 [CA Board 25 November 2020 - Allocation of Getting Building Fund](#)
- 9.3 [CA Board 27 January 2021 - Approval of Legal Documentation](#)

DATED 2021

Appendix 1

(1) CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

(2) PETERBOROUGH R & D PROPERTY COMPANY LIMITED

DEVELOPMENT MANAGEMENT AGREEMENT

relating to services to be provided to
Peterborough R & D Property Company Limited



Clause	CONTENTS	Page
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BETWEEN:-

- (1) **CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY** of 72 Market Street, Ely, Cambridgeshire, CB7 4LS (the "**CPCA**");
 - (2) **PETERBOROUGH R&D PROPERTY COMPANY LIMITED** incorporated in England and Wales under number 13028875 whose registered office is at 72 Market Street, Ely, Cambridgeshire, CB7 4LS ("**PropCo2**"); and
- together the "**Parties**".

WHEREAS:-

- (A) PropCo2 wishes to appoint the CPCA to provide the Services to PropCo2 on the terms and conditions set out in this Agreement.

IT IS AGREED as follows:-

1. **DEFINITIONS AND INTERPRETATION**

This Agreement shall be interpreted according to the provisions of Schedule 1.

2. **APPOINTMENT OF THE DEVELOPMENT MANAGER**

2.1 PropCo2 appoints the CPCA on an exclusive basis as PropCo2's property and development manager for the Site through the provision of the Services to PropCo2 upon the terms and conditions set out in this Agreement and the CPCA hereby accepts its appointment and agrees to provide the Services to PropCo2 throughout the Term of this Agreement in accordance with the terms and conditions set out in this Agreement.

2.2 The CPCA shall be an independent contractor with respect to the provision of the Services to PropCo2. Neither the CPCA nor its employees shall be deemed to be the servants, agents or employees of PropCo2 (save as expressly set out in this Agreement).

2.3 The CPCA shall provide and deliver the Services and all such other services as are reasonably incidental to or reasonably flow from those set out in Schedule 2.

2.4 Without prejudice to the other provisions of this Agreement, the CPCA will carry out the Services in accordance with the terms of this Agreement and in such a manner as to achieve any objectives contained within any Business Plan.

2.5 The CPCA shall neither act nor hold itself out as having authority to act on behalf of PropCo2 in any manner which is beyond the express scope of this Agreement unless otherwise instructed to do so by PropCo2.

2.6 Subject to the CPCA's obligations under this Agreement, nothing in this Agreement shall otherwise prevent the CPCA from providing any services whatsoever to any other person(s).

3. **TERM**

3.1 This Agreement commences on the Commencement Date and shall continue until **30 September 2023** unless terminated in accordance with clause 10. The parties may extend the term of the Agreement and any revisions to the Services (and associated Charges) by agreement in writing.

4. OBLIGATIONS AND DUTIES OF THE DEVELOPMENT MANAGER

4.1 General

4.1.1 The CPCA use the reasonable skill and care in performing the Services and its obligations in under this Agreement.

4.1.2 The CPCA shall, exercising the standard of care required by clause 4.1.1:

(a) act in such a manner as to implement and deliver the requirements of the Business Plan;

(b) act within the parameters of and in a manner consistent with the Business Plan;

(c) comply with the Shareholders' Agreement,

insofar as the Business Plan and Shareholders' Agreement relate to the Services.

4.1.3 In the performance of the Services, subject always to the standard of care specified by clause 4.1.1, the CPCA shall:

(a) devote such time and attention as may be reasonably necessary for the proper performance of the Services;

(b) act at all times in good faith towards PropCo2 with due regard to the provisions of the Shareholders' Agreement and the Business Plan;

(c) comply with the proper and lawful instructions of and implement the proper and lawful decisions of PropCo2 in relation to the management of the Site;

(d) notwithstanding any other provision of this Agreement (and unless prior written consent has been obtained from PropCo2 to extend its authority) ensure that the CPCA acts at all times in accordance with its permitted authorities as set out in this Agreement and within all reasonable and proper instructions of PropCo2;

(e) act at all times in accordance with the Law;

(f) comply with the Procurement Policy;

(g) set up and maintain policies and procedures covering the following matters and ensure that the terms and implementation of such procedures comply with the Law and that they are published in written form and that copies of them (and any revisions and amendments to them) are forthwith issued to PropCo2:-

(i) equality, diversity and equal opportunities;

(ii) health and safety;

(iii) whistleblowing and confidential reporting policies;

(iv) anti-fraud, bribery and corruption; and

(v) information and data security;

- (h) report to PropCo2 promptly in writing any issue arising under any of the CPCA's policies and procedures as specified in paragraph (g) that relates to or affects the Services together with the CPCA's response to the relevant issue;
- (i) give such general advice and assistance to PropCo2 in connection with the Site as may lie within the field of the CPCA's qualifications, competence and experience and as PropCo2 may from time to time reasonably request;
- (j) have regard to the principles of good estate management and professional codes of conduct and/or guidelines laid down from time to time by the Royal Institution of Chartered Surveyors (or its successor body from time to time) as applicable to its performance of the Services.

4.2 Service Delivery

In the performance of the Services, subject always to the standard of care specified by clause 4.1.1, the CPCA shall:-

- 4.2.1 co-operate in good faith with any relevant consultants, professionals or contractors appointed by PropCo2;
- 4.2.2 employ and/or engage a sufficient number of suitably qualified persons to provide the Services; and
- 4.2.3 use reasonable endeavours to comply with such timescales for the delivery of the Services as is set out in the Business Plan, or as may be agreed with PropCo2 in relation to the provision of the Services from time to time.

5. CHARGES

- 5.1 The charges payable by PropCo2 in respect of the Services are contained in Schedule 3 and may be increased by CPCA under clause 5.5.
- 5.2 The Charges are exclusive of VAT (or equivalent sales tax). PropCo2 shall pay any applicable VAT (or equivalent sales tax) to CPCA on receipt of a valid VAT invoice.
- 5.3 Where the Charges are calculable on a time and materials basis, CPCA shall keep time sheets showing the hours worked by each of member of CPCA staff in respect of the provision of the corresponding Services.
- 5.4 CPCA shall be entitled to be reimbursed by PropCo2 for all out-of-pocket expenses (including travelling and entertainment expenses, but not parking fines or road traffic offence fines) incurred by CPCA and CPCA's personnel in the proper provision of the Services, subject to the production of such receipts or other evidence as PropCo2 may reasonably require and will include any such expenses on invoices rendered.
- 5.5 CPCA, acting reasonably, may increase the Charges with immediate effect by written notice to PropCo2 where there is an increase in the direct cost to CPCA of supplying the relevant Services and which is due to any factor beyond the reasonable control of CPCA.

6. PAYMENT

- 6.1 CPCA may issue its invoice for the Services on a quarterly basis.
- 6.2 PropCo2 shall pay all invoices:
 - 6.2.1 in full in cleared funds within 30 days of the date of each invoice; and
 - 6.2.2 to the bank account nominated by CPCA.

6.3 Time of payment is of the essence. Where sums due hereunder are not paid in full by the due date:

6.3.1 CPCA may, without limiting its other rights, charge interest on such sums at 5% percentage points a year above the base rate of the Bank of England from time to time in force; and

6.3.2 interest shall accrue on a daily basis, and apply from the due date for payment until actual payment in full, whether before or after judgment.

7. OBLIGATIONS OF PROPCO2

7.1 During the Term, PropCo2 agrees to purchase the Services on the terms set out in this Agreement.

7.2 Subject always to Clause 8 PropCo2 shall:-

7.2.1 supply or arrange for others to supply to the CPCA, without charge, and in such reasonable time so as not to prevent, delay or disrupt the performance of the Services, all data, information and records relating to the Site (or part thereof) (or copies thereof) which are:-

(a) in its possession or under its control; and

(b) which are reasonably requested from time to time by the CPCA

where such property or properties are within the control of PropCo2, ensure that the CPCA has access to the Site (or any relevant part of the Site) as may be necessary for the proper performance of its duties and obligations under this Agreement; and

7.2.2 where PropCo2 requires the CPCA to comply with any proper reasonable and lawful instruction or direction where the subject matter of such instruction or direction is not set out in the scope of the Services to be provided by the CPCA in Schedule 2 and the cost of complying with such instruction or direction will incur an additional cost, ensure that the CPCA has the funds it reasonably requires to comply with such instruction or direction.

7.3 In relation to carrying out its duties as CPCA, PropCo2 shall:

7.3.1 provide to the CPCA (and procure that the Shareholders provide to the CPCA) any relevant information required by it to carry out its duties under this Schedule 2;

7.3.2 give CPCA access to its books and records;

7.3.3 give notice to the CPCA of all meetings of PropCo2 Board and the Shareholders and invite CPCA to attend (whether in person or by telephone conference or otherwise); and

7.3.4 give the original copy of any written resolution of PropCo2 Board or Shareholders to the CPCA,

in each case strictly subject to the confidentiality requirements under clause 12 of this Agreement.

8. LIMITATIONS

8.1 Notwithstanding any other provision of this Agreement, the CPCA shall not, when carrying out and performing its obligations and duties under this Agreement, expend on behalf of PropCo2 or commit PropCo2 to expend in any way whatsoever, any sum of money to any third party save:-

8.1.1 where and to the extent that such expenditure has either been approved in writing by PropCo2 or is included in a written instruction or direction issued by PropCo2; or

8.1.2 where and to the extent that such expenditure is contained in the Approved Budget set out in a Business Plan.

9. LIABILITY

9.1 Subject to Clause 9.2 and 9.2, the extent of a Party's liability under or in connection with this Agreement for all claims, whether in contract, tort (including negligence) or otherwise, shall not exceed the amount which has been paid to CPCA under this Agreement in aggregate.

9.2 Nothing in this Agreement shall exclude or limit the liability of any Party for:-

9.2.1 death or personal injury caused by its negligence (or that of its contractors, agents or employees); or

9.2.2 fraud or fraudulent misrepresentation; or

9.2.3 any other losses which cannot be excluded or limited by applicable law.

10. DURATION AND TERMINATION

10.1 This Agreement shall commence on the Commencement Date and shall continue in force until the earliest to occur of:-

10.1.1 the date agreed in writing between the Parties; or

10.1.2 a date or event specified in this Clause 10.

10.2 Without prejudice to any other rights or remedies of the Parties but subject to Clause 10.3, this Agreement may be terminated forthwith (either in whole or in relation to certain Services only) by notice in writing by PropCo2 in the event of:-

10.2.1 the CPCA:-

(a) being in breach of any material obligation under this Agreement which is not capable of remedy; and/or

(b) being in breach of any material obligation under this Agreement which is capable of remedy and the CPCA has failed to remedy such breach within such period as is specified by PropCo2 in a written notice specifying the breach and requiring its remedy (and of no less than thirty (30) Business Days following the service of such notice); and/or

(c) being in breach of any of its obligations to carry out the Services under or in accordance with this Agreement which materially and adversely affects the delivery of any Business Plan; and/or

(d) being in breach of obligations under this Agreement to:-

(i) act in accordance with the parameters of the Business Plan;
or

(ii) not incur costs on behalf of PropCo2 which are in excess of those set out in the Approved Budget or which are not approved in writing by PropCo2;

10.2.2 the CPCA (including its directors or any persons with powers of representation, decision or control of the CPCA) committing or knowingly permitting any act to be committed which is fraudulent; and/or

10.2.3 the CPCA bringing the standing of PropCo2 or the Shareholders into serious disrepute and following the service upon it of written notice from such party informing the CPCA that this is the case, the CPCA failing to remedy or change the matter, event or circumstance which has caused such serious disrepute within twenty ([20]) Business Days of the date of service of such notice. For the avoidance of doubt, this provision shall not apply where the action taken by the CPCA which causes such disrepute was undertaken at the written request of the PropCo2 Board or was particularly specified in the Business Plan.

10.3 In the event of a Termination Event under the Shareholders' Agreement the Parties agree that this Agreement shall continue only to the extent required for the CPCA to manage the completion of the Works or Services. In these circumstances, this Agreement will automatically terminate with immediate effect after the completion of such Works.

10.4 Notwithstanding any other provision of this Agreement, where the CPCA ceases to be a Shareholder then PropCo2 shall be entitled to terminate this Agreement on thirty (30) Business Days' written notice to the CPCA.

11. CONSEQUENCES OF TERMINATION

11.1 On a termination of this Agreement (whether in whole or in part) PropCo2 shall be entitled to engage a third party development manager for the Site (in respect of those Services which have been terminated pursuant to Clause 10).

11.2 Upon any termination of this Agreement (whether in whole or in part) for whatever reason:-

11.2.1 the CPCA shall take action to:-

- (a) wind-up the terminated Services in a professional manner; and
- (b) on the reasonable instruction of PropCo2, hand over all relevant information and documents regarding the Site or the Services performed up to the date of termination (including any Confidential Information) to PropCo2, any third party development manager engaged by PropCo2 or a Shareholder,

in an orderly and timely manner (with effect from the date of the appointment of such third party development manager, where relevant); and

11.2.2 cause to be delivered to PropCo2 all Confidential Information, relevant documents, records, information, data, drawings, specifications, calculations, and other materials under its control and relating to the Site (whether in the course of preparation or completed) including any copies thereof (whether electronic or otherwise).

11.3 Termination of this Agreement (in whole or in part) for any reason whatsoever shall be without prejudice to the accrued rights or claims of any Party hereto in relation to any act or omission of the other prior to such termination.

11.4 Notwithstanding the termination of this Agreement, the provisions of this Agreement shall continue to bind each Party insofar as and so long as may be necessary to give effect to their respective rights and obligations hereunder.

12. CONFIDENTIALITY

12.1 The Recipient undertakes that it shall:

12.1.1 keep the Confidential Information confidential at all times;

12.1.2 not disclose (whether directly or indirectly) the Confidential Information or allow it to be disclosed in whole or in part to any third party without the Discloser's prior written consent

12.1.3 take and maintain proper and reasonable measures to ensure the confidentiality of the Confidential Information, including any security measures requested in writing from time to time by the Discloser of the Confidential Information;

12.1.4 not copy or reproduce in any form the Confidential Information except to the extent strictly necessary for the Development (and the Recipient acknowledges that any such copies or reproductions are the property of the Discloser);

12.2 A party may disclose the other party's Confidential Information to any of its authorised persons who need to know the relevant Confidential Information for the Development, provided that such party shall ensure that each of its Authorised Persons to whom Confidential Information is disclosed is aware of its confidential nature and complies with this clause 12 as if it were the Recipient.

12.3 The Recipient may disclose any Confidential Information which it is required to disclose by law, any court, any governmental, regulatory or supervisory authority (including any securities exchange) or any other authority of competent jurisdiction, or which the Discloser expressly agrees in writing may be disclosed (provided that such permission is provided in advance of any disclosure by a Recipient).

12.4 Upon the expiry or termination of this Agreement (howsoever caused) or upon receipt by the Recipient of an earlier written demand from the Discloser:

12.4.1 a Recipient must return or procure the return to the Discloser or, as the Discloser may require, destroy or procure the destruction of any and all materials containing the Confidential Information together with all copies;

12.4.2 if a Discloser requires, the Recipient must provide the Discloser with a certificate or such other evidence as the Discloser may reasonably require duly signed or executed by an officer of the Recipient confirming that the Recipient has complied with all of its obligations under this Agreement including about return, destruction and deletion of Confidential Information;

12.4.3 the Recipient must delete or procure the deletion of all electronic copies of Confidential Information; and

12.4.4 the Recipient must not make, and must procure that the Authorised Persons do not make any further use of the Confidential Information.

13. **FORCE MAJEURE**

13.1 If by reason of a Force Majeure Event occurring on or after the Commencement Date a Party is wholly or partially unable to carry out its obligations under this Agreement (the "**Affected Party**") then the Affected Party shall promptly serve notice in writing to the other Party, setting out:-

13.1.1 the particulars of the Force Majeure Event and its effect upon its performance under this Agreement; and

13.1.2 to the extent known, the expected duration of the Affected Party's failure to perform.

13.2 An Affected Party shall not be entitled to relief under Clause 13.4 for any failure or delay in complying with its obligations under or in accordance with this Agreement until the notice specified in Clause 13.1 has been provided to the other Party.

13.3 The Affected Party shall:-

13.3.1 make reasonable efforts to prevent, remove, avoid and mitigate the effects of any Force Majeure Event including recourse to alternative acceptable sources of services, equipment, supplies and materials and the payment of reasonable sums of money;

13.3.2 use reasonable efforts to ensure a prompt resumption of normal performance of this Agreement after the cessation of a Force Majeure Event; and

13.3.3 when reasonably requested by another Party, provide that Party with notice more fully describing the relevant Force Majeure Event, its cause, the efforts being made to remove, avoid and mitigate its effects and an estimate of the duration of the Force Majeure Event.

13.4 Following the service of notice in accordance with Clause 13.1 and provided that the Affected Party has complied with the provisions of Clause 13.3, the Affected Party shall not be liable for any cost, expense or damages, failure or delay in complying with its obligations under or in accordance with this Agreement to the extent that it is prevented from or delayed in performing its obligations by one or more Force Majeure Events and its or their effects or by any combination of those events and effects. Such obligations shall be suspended for such period or periods as may be required for the Affected Party to overcome the effects of such Force Majeure Event provided, however, that:-

13.4.1 the suspension of performance is of no greater scope and of no longer duration than the Force Majeure Event and the time reasonably necessary to attend to the consequences of such Force Majeure Event;

13.4.2 no relief shall be granted to a Party in accordance with this Clause to the extent that such failure or delay would have been experienced by such Party even if such Force Majeure Event had not occurred; and

13.4.3 in the event that the Affected Party gives notice under Clause 13.1 and the relevant Force Majeure Event continues for a continuous period of three months during which the Affected Party is unable to perform its obligations under this Agreement, then any Party shall be entitled to terminate this Agreement by notice in writing.

13.5 The Affected Party shall promptly serve notice in writing to the other Party following:-

13.5.1 the cessation of the relevant Force Majeure Event; and

13.5.2 the cessation of the effects of such Force Majeure Event on the enjoyment by such Affected Party of its rights or the performance by it of its obligations under this Agreement.

14. NO PARTNERSHIP

Nothing in this Agreement is intended to create a partnership or joint venture of any kind between the Parties. Except where expressly so stated in this Agreement neither Party will have authority to act in the name or on behalf of or otherwise to bind the other.

15. VARIATIONS

15.1 Any additions, amendments and variations to this Agreement shall be binding only if in writing and signed by the duly authorised representatives of PropCo2 and the CPCA (in non electronic format).

15.2 This Agreement supersedes any previous agreements or arrangements between the Parties in respect of the Services and represents the entire understanding and agreement between the Parties in relation thereto.

16. COUNTERPARTS

This Agreement may be executed in the form of two or more counterparts, each executed by one or more of the Parties but, provided that if all Parties shall so enter the Agreement, each of the executed counterparts shall be deemed to be an original but, taken together, they shall constitute one document.

17. **THIRD PARTY RIGHTS**

18. No term of this Agreement is intended to confer a benefit on, or be enforceable by, any person who is not a party to the Agreement (whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise).

19. **INVALIDITY AND SEVERANCE**

If any provision of this Agreement is held to be unenforceable or illegal, in whole or in part, such provision or part shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall remain unaffected.

20. **GOVERNING LAW AND JURISDICTION**

21. This Agreement, and the relationship between the parties, shall be governed by the laws of England and each party agrees that all disputes arising out of or in connection with this Agreement, and/or with its negotiation, validity or enforceability, and/or the relationship between the parties, (in each case whether or not regarded as contractual claims) shall be exclusively governed by and determined in accordance with English law. Each party expressly submits to the exclusive jurisdiction of the English Courts.

EXECUTED by or on behalf of the Parties on the date which first appears in this Agreement.

EXECUTED by)
CAMBRIDGESHIRE AND PETERBOROUGH)
COMBINED AUTHORITY acting by:)
)

Authorised Officer

EXECUTED by)
PETERBOROUGH R&D PROPERTY COMPANY)
LIMITED acting by a director:)
)

Director

SCHEDULE 1

DEFINITIONS AND INTERPRETATION

21.1 In this Agreement (including in the Schedules), the following words, expressions and meanings shall, unless the context otherwise requires and/or save where expressed otherwise, have the meanings set opposite them:-

"Affected Party"	has the meaning given to it in Clause 13.1
"Agreement"	means this deed (including any Schedule to it), as amended, varied, supplemented or replaced from time to time in accordance with its terms
"Agreement for Lease"	means the agreement for lease between PropCo2 and Photocentric Limited (a company registered in England with registered number 04476687 and whose registered office is at Cambridge House, Oxney Road, Peterborough, Cambs, PE1 5YW) entered into as at the date of this Agreement
"Approved Budget"	means the budget approved by the Board of Directors of PropCo2 from time to time
"Business"	means the business of PropCo2 as more particularly defined in the Shareholders' Agreement
"Business Day"	means 9.00 am to 5.00 pm on any day (other than a Saturday) on which clearing banks in the City of London are open for the transaction of normal sterling banking business and "Business Days" shall be construed accordingly
"Business Plan"	has the meaning given to it in the Shareholders' Agreement
"Commencement Date"	means the date of this Agreement
"Confidential Information"	means all information whether in writing, electronic or data form or otherwise (including but not limited to know-how) (not in the public domain otherwise than as a consequence of a breach by the CPCA of its obligations under this Agreement) which may be imparted in confidence or be of a confidential nature relating to the Business or plans or internal affairs of PropCo2 or its Shareholders including but without limitation, all information of a confidential nature relating to the Development, marketing information, unpublished information relating to the Business, to PropCo2 or its Shareholders or to any actual or potential customer, tenant or landlord or supplier or officer or employee of PropCo2 or its Shareholders
"Delegation Policy"	means any delegation policy of PropCo2, adopted by the Shareholders from time to time
"Development"	means the development of the Site or part of a Site to be carried out by or on behalf of PropCo2 from time to time
"Discloser"	means the discloser of Confidential Information
"Force Majeure Event"	means the occurrence after the Commencement Date of:-

	<p>(1) war, civil war, armed conflict or terrorism;</p> <p>(2) lightning, earthquake, fire, flood, storm or extreme weather condition;</p> <p>(3) pressure waves caused by devices travelling at supersonic speeds</p>
"Law"	means any applicable Act of Parliament, sub-ordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, exercise of the Royal Prerogative, enforceable community right within the meaning of section 2 of the European Communities Act 1972, bye-law, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body which the CPCA is bound to comply with and/or which relate to or affect the Service
"Lease"	means the lease of the Property as annexed to the Agreement for Lease
"PropCo2 Board"	means the board of PropCo2 set up and maintained by PropCo2 in accordance with the provisions of the Shareholders' Agreement
"Procurement Policy"	means the procurement policy of PropCo2 adopted by the Shareholders from time to time
"Recipient"	means the recipient of Confidential Information
"Service Media"	means apparatus and conducting media for the passage of foul and surface water, drainage, electricity, gas, water and telecommunications and any other services and supplies of whatsoever nature
"Services"	means services outlined in Schedule 2 to be provided by CPCA to PropCo2 (and any other services as may be agreed between PropCo2 and the CPCA from time to time) to be delivered in accordance with this Agreement
"Shareholders' Agreement"	means the Shareholders' Agreement dated on or around the date of this Agreement and entered into between (1) CPCA; (2) Peterborough City Council; (3) Anglia Ruskin University and (4) PropCo2 as such agreement may be varied or supplemented from time to time
"Shareholders"	means the shareholders of PropCo2 from time to time and "Shareholder" shall be construed as referring to one of them as the context may require
"Site"	means the land and buildings on The Embankment, lying to the north of the River Nene and south of Bishops Road, Peterborough forming Phase 2 as set out in the Plan annexed;
"Termination Date"	means the date at which this Agreement terminates or expires (howsoever arising)
"Termination Event"	shall have the meaning given to it in the Shareholders' Agreement
"VAT"	means Value Added Taxes provided for in the Value Added Taxes Act 1994

"Works"

means all construction works required to implement the Development including (without limitation) the demolition of existing buildings and structures on the Site, site clearance, site preparation, and the diversion of any Service Media

21.2 **Clause 1** of the Shareholders' Agreement shall apply *mutatis mutandis* to this Agreement.

SCHEDULE 2

SERVICES

CPCA shall carry out and complete the Services listed below and all such other services as are reasonably incidental to or reasonably flow from those set out below.

1. DEVELOPMENT MANAGEMENT

1.1 Identifying improvement and value enhancement opportunities during the development of the Site

1.2 Managing MACE Limited's appointment under its contract of engagement for project review and delivery management services with PropCo2, including giving instructions to MACE Limited under MACE Limited's contract of engagement for and on behalf of PropCo2.

1.3 Formulating proposals for such opportunities including financial appraisal, cashflow models, forecasts and design specifications.

1.4 To act as the main point of contact and coordination for PropCo2, between development manager, employer's agent, and developer.

2. REPORTING

2.1 Preparing monthly performance reports (or otherwise with such frequency as may be agreed with PropCo2 from time to time) and attending board meetings of PropCo2 to discuss such reports where required. Such reports to include:-

2.1.1 Services:-

(a) performance and delivery of the Services; and

(b) achievement of any development milestones;

2.2 The CPCA will also be required to contribute as reasonably required by PropCo2 in respect of the annual report and accounts for PropCo2.

2.3 The CPCA will provide to PropCo2 monthly cashflow schedules showing the monthly anticipated cashflow over the period covered by monthly budget forecasts.

2.4 Subject to the Delegation Policy, checking and signing off all invoices payable by PropCo2, and if correct sending them to the nominated person for payment.

2.5 Providing such information and reporting as PropCo2, PropCo2 Board or its Shareholders shall reasonably require to allow them to fulfil their obligations and make informed decisions.

3. BUSINESS PLAN

3.1 Producing the Business Plan for a half yearly review/update (and such further updates as may be required pursuant to the terms of the Shareholders' Agreement) and providing such Business Plan to PropCo2 for its approval.

3.2 Procuring the provision to PropCo2 of a financial model and updating it in line with the Business Plan on a half yearly basis and for actual expenditure on a quarterly basis.

4. ACCOUNTING SERVICES

4.1 The Accounting Services shall comprise:

- 4.1.1 maintaining the books of account of PropCo2;
- 4.1.2 preparing a draft of the Annual Accounts for each Financial Year;
- 4.1.3 keeping a record of each Shareholder's shareholdings and all dividends in accordance with the Shareholders' Agreement;
- 4.1.4 such additional accounting services as may be agreed by PropCo2 and the CPCA, provided that an additional fee for those additional accounting services shall be agreed at the relevant time.

5. **COMPANY SECRETARIAL**

- 5.1 The Company Secretarial Services shall comprise:
 - 5.1.1 preparing and circulating agendas and keeping minutes of all PropCo2 Board meetings and copies of all resolutions passed at PropCo2 Board meetings;
 - 5.1.2 preparing and circulating agendas and keeping minutes of all meetings of the Shareholders and copies of all resolutions passed at meetings of the Shareholders;
 - 5.1.3 preparing and making all Companies House filings on behalf of PropCo2 in accordance with the Act;
 - 5.1.4 keeping a register of Shareholders of PropCo2 in accordance with the Act;
 - 5.1.5 registering PropCo2 as a contractor for the purposes of the Construction Industry Scheme; and
 - 5.1.6 such additional company secretarial services as may be agreed by PropCo2 and CPCA, provided that an additional fee for those additional company secretarial services shall be agreed at the relevant time.

6. **TAX SERVICES**

- 6.1 The Tax Services shall comprise:
 - 6.1.1 to prepare (at the cost of PropCo2) for submission, within the requisite statutory period all tax returns, elections, documentation (including the matters dealt with in the Capital Allowances Act 2001) to HM Revenue & Customs on behalf of PropCo2 as may be required by law and regulation or requested by PropCo2 and to deal with all correspondence, disputes or negotiations with HM Revenue & Customs;
 - 6.1.2 to prepare (at the cost of PropCo2) for submission within the requisite statutory period of all returns, claims, forms, elections, options to tax and other documentation in respect to VAT to HM Revenue & Customs on behalf of PropCo2 as may be required by law and regulation or requested by PropCo2 and to deal with all correspondence, disputes or negotiations with HM Revenue & Customs;
 - 6.1.3 to provide to the Shareholders such information in CPCA's possession as is reasonably necessary to enable the Shareholders within the requisite statutory periods to file tax returns, elections and other documentation; and
 - 6.1.4 to provide to HM Revenue & Customs in writing such information in CPCA's possession as shall be required by law and regulation concerning the Shareholders including (without limitation) the name, address, tax district and reference of each Shareholder in so far as such information is produced to CPCA.
- 6.2 In relation to the Tax Services:

6.2.1 PropCo2 acknowledges and agrees that the CPCA will prepare all tax returns, elections and other documentation based on PropCo2's books and records and other information from PropCo2 without separate verification of the relevant information;

6.2.2 the CPCA's obligations in relation to the Shareholders is limited to the provision of information on behalf of PropCo2. The Shareholders shall be responsible for the preparation and submission of their own tax returns, elections and other documentation; and

6.2.3 the CPCA may appoint a specialist tax advisor on behalf of PropCo2. The fees of the appointed specialist tax advisor from time to time will be paid by PropCo2.

7. ADMINISTRATION

7.1 The Administration Services shall comprise:

7.1.1 to open maintain and close bank accounts for and in the name of PropCo2, co-ordinate payments of monies and to draw cheques and other orders for the payment of monies by PropCo2;

7.1.2 to operate the accounts of PropCo2 in a manner consistent with the payment provisions contained in any loan agreements entered into by PropCo2 provided that the CPCA has been supplied with a full copy of such loan agreements and, when required by the CPCA, has received advice from PropCo2's lawyers summarising the relevant payment provisions of such loan agreements; and

7.1.3 arrange payment of the distribution of PropCo2's net profits to the Shareholders in accordance with the agreed dividend policy and following approval by PropCo2 Board.

7.2 In relation to the Administration Services, the CPCA is authorised to make payments and otherwise operate PropCo2's bank accounts in accordance with:

7.2.1 PropCo2's approved budget from time to time; or

7.2.2 the terms of any approval or instruction given by PropCo2 Board from time to time.

SCHEDULE 3

CHARGES

For the period from [18 November 2020] to [15 December 2023] the charges shall be:

Description	Total Cost
Financial & Company Secretarial Services (Provided by Trowers & Hamlins)	£25,660.80 (based on £8,553.60 over 3 x years)
Programme Management (Provided by CPCA)	£278,506.20
	£304,167.00

APPENDIX 1
PLAN OF THE SITE



Part 6: Recommendations from Skills Committee – 9 January 2023

Agenda Item 6.1:	ARU Peterborough Phase 3 Full Business Case and monitoring arrangements for the new University (KD2022/051)
Recommendation(s):	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> a) Approve the University of Peterborough Phase 3 Living Lab, Full Business Case. b) Note the following next steps for the development of a University Programme Business Case: <ul style="list-style-type: none"> i. In consultation with the University partners and shareholders of PropCo1 and PropCo2, review governance arrangements with a view to developing a programme related governance structure. ii. Preparation of the Campus Outline Planning Application for the potential future ambition. iii. Further progress update against progress measures agreed with partners including outline for the University of Peterborough Programme Business Case.
Voting arrangements:	<p>A simple majority of those present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>
Purpose:	<p>The Board is invited to approve the Full Business Case for the Phase 3 Living Lab of the University of Peterborough project.</p> <p>Alongside the development of the Phase 3 FBC, further work has been undertaken by the University Partners to assess the progress measures to monitor the ongoing wider impact of the University, with these measures tied into broader strategic objectives for Peterborough and the CPCA region. It is proposed that there will need to be an ongoing review of these measures and governance arrangements to support a wider University of Peterborough Programme Business Case, including</p>

	recommendations to review governance and reporting structures alongside and approval for the submission of a Campus Outline Planning Application.
Strategic Objectives:	<p>The University of Peterborough aligns with the CPCA Economic Growth Strategy and all 6 keys within the Sustainable Growth Ambition Statement. The objectives are to reduce inequalities through provision of a high-quality employment focused. University. It aims to increase the skills levels of local people; and increase highly skilled employment opportunities in the surrounding area. These will support local people to gain access to long-term employment opportunities and support local businesses to grow by making it easier to hire skilled employees, invest in innovation and attract new high value firms to the city and surrounding area.</p> <p>ARU Peterborough and the Peterborough Innovation & Research Centre aim to work together to create opportunities for new thinking, new technology and new ideas that will improve quality of life, and to build on the reputation of our district as a global leader in innovative growth. This will in turn attract more businesses to our area, bringing greater job opportunities and further investment. ARU Peterborough and the Peterborough Research & Innovation Centre will, through local employment, training and education opportunities support local and environmentally sustainable choices regarding travel and transport. The design of the teaching buildings will meet BREEAM Very Good standards, and all planning applications will meet national and local standards regarding the preservation and further advancement of biodiversity in the local area. As the University Campus develops over time there are further strategies in place to work with the University Partners and the tenants of the Peterborough Research & Innovation Centre, for the site and buildings to have net carbon zero impact by 2030.</p>
Committee report and appendix:	<p>Skills Committee 9 January 2023 - Item 2.1 - The University of Peterborough Phase 3 Living Lab, Full Business Case</p> <p>Appendix 1 - ARU Peterborough Phase 3 Full Business Case</p>
Background papers and supporting documents:	<p>Skills Committee 17th January 2022</p> <p>CA Board 26th January 2022</p> <p>Skills Committee 7th November 2022</p> <p>Skills Committee Decision Statement - 9 January 2023</p>

Agenda Item 6.2:	Wave 4 Skills Bootcamps (KD2022/074)
Recommendation(s):	<p>The Combined Authority Board is recommended to: Board :</p> <ul style="list-style-type: none"> a) Accept the Grant Funding from the Department of Education in the sum of £2,878,150.00 to deliver Wave Four Skills Bootcamps for the 2023-2024 financial year. b) Approve an addition of a corresponding budget for delivery of the Wave Four Skills Bootcamps in the 2023-2024 budget. c) Delegate authority to the Interim Associate Director of Skills, in consultation with the Chief Finance Officer and Monitoring Officer to: <ul style="list-style-type: none"> i. enter into, sign and award grant agreements or awards to training providers to deliver Wave Four Skills Bootcamps with existing providers, where procurement regulations allow and enter into contracts with new providers for Wave Four following an appropriate procurement exercise, and ii. where appropriate, extend contracts with existing providers.
Voting arrangements:	<p>A simple majority of those present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>
Purpose:	<p>To note the proposal submitted to the Department for Education in November 2022 for the delivery of the Wave Four Skills Bootcamps in the Combined Authority area.</p> <p>In anticipation of the anticipated grant award, the Board's approval is sought to approve, sign and receive the grant award, create a new budget line and to delegate authority to the Interim Associate Director of Skills to enter into, sign and award grant agreements, contracts and awards to training providers to deliver on Wave Four Skills Bootcamps following an appropriate procurement exercise.</p>
Strategic Objectives:	<p>Skills Bootcamps are totally aligned to the Employment and Skills Strategy. Skills Bootcamps provides Cambridgeshire and Peterborough residents with lifelong learning and training opportunities by enabling upskilling or reskilling through short and flexible courses whilst matching skills provision to local job</p>

	opportunities to support businesses and business growth, in line with the Employment and Skills strategy.
Committee report:	Skills Committee 9 January 2023 - Item 2.2 - Wave 4 Skills Bootcamps
Background papers and supporting documents:	Skills Committee Decision Statement - 9 January 2023



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 7.1

Constitution Review

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 January 2023
Public report:	Yes
Lead Member:	Councillor Edna Murphy, Lead Member for Governance
From:	Edwina Adefehinti, Interim Chief Officer Legal and Governance & Monitoring Officer
Key decision:	No
Forward Plan ref:	
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <p>a) To approve the recommend revisions to the Constitution detailed in this report</p>
Voting arrangements:	requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) present and voting

1. Purpose

- 1.1 This report provides the Board with commentary on the revisions made to the Constitution of the Combined Authority with a view that these be approved and recommended for adoption at this meeting.
- 1.2 The Audit & Governance Committee met on Friday, 13 January to consider the amendments and, with changes, approved the revisions and recommend these for ratification by the Board. The Audit & Governance Committee is responsible for keeping under review the governance arrangements, including the constitution, of the Combined Authority and is empowered to make recommendations to the Combined Authority Board.

2. Background

- 2.1 The Combined Authority is obliged to review its Constitution on an annual basis. Officers have undertaken a process of review. This years' review is an iterative process and the Board, following consideration by the Audit & Governance Committee, will be presented with revisions up to the end of this municipal year.
- 2.2 Officers have worked with various stakeholders in preparing these proposed revisions, including the Executive Team of the Combined Authority and the Lead Member for Governance, Councillor Edna Murphy.

3. Main Issues

- 3.1 The table presented below includes a description of the principal amendments. The table does not reference any minor typographical or grammatical amendments, or any repetitions in the current Constitution. Table 1 is presented for discussion (note: page numbers in column one reference the current Constitution document Appendix 1). The final column signposts members to the page number reference in the revised document (Appendix 2):

Note: A tracked changed version of the current Constitution has not been appended to this report. The nature of the changes and the amended Chapter numbers means a tracked changed version would have been confusing to the reader. Appendix 1 to this report is the Constitution in its current format.

Table 1: Proposed amendments to the Cambridgeshire & Peterborough Combined Authority Constitution

Chapter/Paragraph (page number)	Amendment to:	Commentary	Revised Constitution Reference (page number) APPENDIX 2
APPENDIX 1			
Contents Section	Contents Section	Revised Chapter numbers and order	Page 3
Chapter 1, 2.2 - 21.2 (pages 1-8)	Summary	Amended Summary Chapter	Chapter 1; page 4-7
Chapters' 3, 5 and 11	Right of Mayor to speak at Executive Committee meetings	To allow the Mayor to formally take up his position as a	Chapters 3, 5 and 7

		non-voting member of all committees where he is entitled to do that, and where he is not already a member of that committee as of right	
Chapter 5 (page 21)	Proceedings of Meetings	Revised Chapter Heading. Revised to Standing Orders	Chapter 5; page 20
Chapter 5, 1.2 (page 21)	Introduction	Revised Chapter reference	Chapter 5: 5.1; page 20
Chapter 5, 4.5 (page 23)	Urgency	Revised Chapter reference	Chapter 5: 5.5; page 21
Chapter 5, 6.1 (page 24)	Notice of Meetings and Agendas	Revised Chapter reference	Chapter 5: 5.7; page 22
Chapter 5 - addition	Questions by Combined Authority Board Members	Addition of Questions by Combined Authority Board Members	Chapter 5: 5.33; page 33
Chapter 5 - addition	Strategic Policy Debates	Addition of Strategic Policy Debates	Chapter 5: 5.44-5.52; page 36
Chapter 5, 22.1 (page 37)	Photography etc.	Revised Chapter reference	Chapter 5: 5.42 page 36
Chapter 5 - addition	Attendance by Committee or Sub-Committee Chairs	Attendance by Committee or Sub-Committee Chairs – additional paragraph	Chapter 5: 5.35; page 35
Chapter 5, Annex 1 (page 39-41)	Protocol on the Webcasting of Meetings	Moved to Chapter 19: Policies and Protocols	Chapter 19: Annex 7
Chapter 6, (page 33)	Transparency Rules, Forward Plan and Key Decisions	Revised Chapter Heading. Revised to Decision Making	Chapter 6; page 35
Chapter 6	Transparency Rules, Forward Plan and Key Decisions	New paragraph 6.1 highlighting decision-making principles	Chapter 6: 6.1 – additional paragraph of decision-making principles; page 37
Chapter 6	Transparency Rules, Forward Plan and Key Decisions	New paragraph 6.2 on Scrutiny of Decisions	Chapter 6: 6.2 – additional paragraph on the scrutiny of decisions; page 37
Chapter 6, (page 42-51)	Transparency Rules	Revised and moved to Chapter 10, Access to Information, Information Governance, Data Protection and Complaints	Chapter 10: 10.1 – 10.14; page 122 - 129

Chapter 6, (page 52-61)	Key Decisions and Forward Plan etc.	Reformatted for consistency	Chapter 6: 6.1 – 6.5; pages 35 - 39
Chapter 6 (page 55)	General Exception	<p>Page 55 did state <i>“Where publication of the intention to make a key decision is impractical, the decision may still be taken if: ...”</i></p> <p>Amended to: <i>“Where publication of the intention to make a key decision at least 28 clear days before the date on which it will be taken is impractical, the decision may still be taken if: ...”</i></p>	Chapter 6: 6.3; page 37
Chapter 7 (page 54-63)	Budget Framework Procedure Rules	Entirety of Chapter 7 now included within to Chapter 6: Decision Making	Chapter 6: 6.6 – pages 39 - 44
Chapters 8 -11	Executive Committees	Now incorporated into a single Chapter: Chapter 7: Boards and Committees incorporating all the current Executive Committees and sub-committees and the Employment Committee	Chapter 7: Boards and Committees – pages 45 – 67. <i>This Chapter will be updated and presented to the Committee for ratification at the meeting on 27 January 2023</i>
Chapters 8 -11	Executive Committees	Minutes and call-in of Committee decisions – new paragraph 7.1.9	Chapter 7: 7.1.9; page 51-52
Chapters 8 -11	Executive Committees	Exemption from call-in – new paragraphs 7.1.9.11 to 7.1.9.13	Chapter 7: 7.1.9.11 – 7.1.9.13; page 53
Chapter 13	Overview & Scrutiny Committee	Moved from Chapter 13 – now Chapter 14	Chapter 14; pages 150 - 163
Chapter 13, 16.2 (page 90)	Voting	Additional sentence added around deadlocked decisions of the committee not being	Chapter 14: 14.9.2; page 154

		referred to the CA Board	
Chapter 13, 16.3 (page 90)	Voting	Paragraph 16.3 added following the tied vote for Chair in May 2021	Chapter 14: 14.9.3; page 154-155
Chapter 14	Audit & Governance Committee	Moved from Chapter 14 – now Chapter 13	Chapter 13; page 143-150
Chapter 14 (page 104)	Audit & Governance Committee: Terms of Reference	Addition of new Terms of Reference approved by the A&G Committee in January 2022 with regard to the Combined Authority subsidiary companies	Chapter 13: 13.3.22 – 13.3.26; page 145
Chapter 14, 9.3 (page 108)	Reference of Matters to Committees	Addition of paragraph 13.9.3 with regard to the process of referrals to the Committee	Chapter 13: 13.9.3; page 147-148
Chapter 15	Financial Procedure Rules	Moved from Chapter 15 – now Chapter 8	Chapter 8: pages 72 - 94
Chapter 15	Financial Procedure Rules: Financial Management General	Addition of paragraph on general principles observed in accounting arrangements	Chapter 8: 8.3.3; page 75
Chapter 16	Contract Procedure Rules	Moved from Chapter 16 – now Chapter 9	Chapter 9; pages 95
Chapter 16	Contract Procedure Rules: Procurement Policy	Rewritten Chapter	Chapter 9; pages 95 - 125
No Previous reference in the Constitution	Access to Information, Information Governance, Data Protection and Complaints – Access to Information section previously within Chapter 6 Transparency Rules (pages 42-51) (see above)	Addition of a New Chapter: Access to Information, Information Governance, Data Protection and Complaints.	New Chapter 10; pages 127-136
Chapter 18	Officer Employment Procedure Rules	Moved from Chapter 18; now Chapter 11	Chapter 11; pages 137-140

No Previous Reference in the Constitution	New Chapter: Allowances	Addition of a new Chapter 12: Allowances	Chapter 12: page 141. This section to be developed and presented to the Committee by April 2023
No Previous Reference in the Constitution	The Business Board was previously an appendix to the main body of the Constitution	Addition of a new Chapter 15: The Business Board	Chapter 15: page 164. This section to be developed following the review of the Business Board
Chapter 19: pages 177-208 Member Code of Conduct and Complaints Procedure	New Chapter heading: Members. Previously Member Code of Conduct and Complaints Procedure	Moved from Chapter 19 to Chapter 16: Members	Chapter 16: pages 165-189
No Previous Reference in the Constitution	New Chapter: Subsidiary Companies and Shareholder Oversight	Addition of a new Chapter 17: Subsidiary Companies and Shareholder Oversight	Chapter 17; pages 190 - 196
Chapter 17: pages 152-164 Officer Scheme of Delegation and Proper Officers	Moved to Chapter 18	Moved from Chapter 17 to Chapter 18: Officer Schemes of Delegation	Chapter 18: pages 197-208
Chapter 17, 5.3 (page 156)	Delegations to the Chief Finance Officer	Addition of explicit reporting duty of the CFO, under s.114 of the Local Government Finance Act 1988	Chapter 18: 18.4.3; page 201
No Previous Reference in the Constitution	New Chapter: Policies and Protocols	Addition of a new Chapter 19: Policies and Protocols. Listing, as annexes, the Combined Authority Policies and Protocols	Chapter 19: page 209+. Some of these policies and protocols will be presented to the Committee between 27 January and April 2023 for approval

3.2 The Combined Authority is currently implementing an improvement plan and it is likely there will be an impact from this for further Constitution reviews. However, a number of areas have already been highlighted which will require a further refresh in the spring of 2023 and these will be presented to the Board, via the Audit & Governance Committee for consideration throughout the remainder of the municipal year. These will be discussed with the Leaders of the constituent councils and are highlighted below:

- Responsibilities of the new Executive Committees and the impact on effective decision-making
- Business Board – following the review of this body currently underway
- Allowances
- Officer Schemes of Delegation
- Financial Regulations
- Social Media Protocol
- Monitoring Officer protocol

3.3 Consequently, there will be several iterations of the revised Constitution which will be presented to for approval.

4. Financial Implications

4.1 The proposals contain no financial implications.

4. Legal Implications

4.1 The Combined Authority is obliged to adopt and maintain a constitution and standing orders.

5. Public Health Implications

5.1 There are no public health implications in these proposals.

6. Environmental and Climate Change Implications

6.1 There are no environmental and climate change implications in these proposals.

7. Other Significant Implications

7.1 There are no other significant implications.

8. Appendices

8.1 Appendix 1 – Current Constitution

8.2 Appendix 2 – Amended Constitution following the Audit & Governance Committee meeting of 13 January 2023.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

fTHE CONSTITUTION

JANUARY 2023



Version Control

Revision Number	Revision Date	Comments
1	31 May 2017	Constitution approved by the CA Board
2	28 January 2018	Updated to take account of CA Board decisions made since May 2017
3	30 May 2018	Annual Review of the Constitution
4	25 July 2018	Updated to include revised portfolios
5	26 September 2018	Updated to include executive committees, scrutiny question time and other matters
6	25 September 2019	Annual Review of the Constitution
7	24 December 2019	Changes to Page 218, Appendix 5
8	28 May 2020	Changes to Chapter 18
9	20 July 2020	Change to Page 210, Appendix 4
10	7 August 2020	Appendix 5: Business Board Constitution approved by the Business Board (May 2020) and the CA Board (June 2020)
11	30 September 2020	Annual Review of the Constitution
12	21 December 2020	Changes to Chapters 1 and 17
13	3 February 2021	Changes to Chapter 8 and revised portfolios
14	9 March 2021	Updated to exclude reference to non-constituent councils and members
15	27 July 2021	Changes to Chapter 16
16 THIS VERSION	5 January 2023	Changes to be approved by the Audit & Governance Committee on 13 January 2023 and ratified by Combined Authority 25 January 2023

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[Cambridgeshire and Peterborough Combined Authority Order 2017](#)

CHAPTER 1: SUMMARY

1. Introduction

- 1.1.1 The Cambridgeshire & Peterborough Combined Authority (the Combined Authority) is defined as the area covered by seven Constituent Authorities:
 - Cambridge City Council;
 - Cambridgeshire County Council;
 - East Cambridgeshire District Council;
 - Fenland District Council;
 - Huntingdonshire District Council;
 - Peterborough City Council; and
 - South Cambridgeshire District Council
- 1.1.2 The Combined Authority was established by Order on 3 March 1997 and exists to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. It builds upon a strong history of collaboration between the Constituent Authorities, the private sector and other partners.
- 1.1.3 The Combined Authority also incorporates the role and responsibilities of the Business Board for Cambridgeshire & Peterborough (formerly the Local Enterprise Partnership), and various other statutory and non-statutory responsibilities.
- 1.1.4 This constitution reflects:
 - Experience of effective management of collaborative arrangements operating within the constituent authorities for many years
 - The commitments entered into by government and leaders' within the Combined Authority area
 - Constitutional arrangements put in place on the establishment of the Combined Authority in March 2017
 - The statutory framework established by parliament as part of the Combined Authority Order of 2017
- 1.1.5 This constitution is a living document and shall be amended as the Combined Authority continues to develop and it builds upon versions 1-n. Authority is delegated to the Monitoring Officer, in consultation with the Chief Executive of the Combined Authority, to make consequential amendments to the Constitution, in order to reflect organisational or legislative changes, or to make any minor textual or grammatical corrections. Any other changes shall be agreed unanimously by the Combined Authority Board.
- 1.1.6 This Constitution sets out the governance arrangements for the Cambridgeshire & Peterborough Combined Authority, including Mayoral and Non-Mayoral Functions. It

sets out how decisions are made and the procedures that are followed to ensure that the Combined Authority operates efficiently, effectively and is transparent and accountable.

Purpose of the Constitution

- 1.1.7 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.
- 1.1.8 The Constitution has 19 parts, plus a number of appendices. These are outlined below:
- 1.1.9 Part 1: Introduction to the Combined Authority and the Combined Authority's Constitution.
- 1.1.10 Part 2: Membership of the Combined Authority which outlines the establishment of the Combined Authority and the constituent authorities, the Business Board and the Co-opted members.
- 1.1.11 Part 3: The Mayor of the Combined Authority which sets out the roles and functions reserved to the Mayor. This chapter also sets out the Mayor's general functions and powers.
- 1.1.12 Part 4: The Combined Authority Functions and Responsibilities setting out who is responsible for exercising each function of the Combined Authority and its decision-makers operate, including:
 - formal meetings of the Combined Authority and its committees;
 - how to access information; and
 - procedures relating to finance and contracts.
- 1.1.13 Part 5: Standing Orders setting out how Combined Authority Board meetings and, subject to certain limitations identified in Chapter 7 [Boards and Committees] of this Constitution, to any committees or sub-committees will proceed.
- 1.1.14 Part 6: Decision-Making setting out how the Combined Authority's decision makers operate, including:
 - key decisions
 - The forward plan
 - general exception notices
 - special urgency decisions
 - the recording of decisions
 - the budget framework procedure rules
 formal meetings of the Combined Authority and its committees;
- 1.1.15 Part 7: Boards and Committees detailing the Boards and Committees, and sub-committees the Combined Authority has established to discharge its functions. The Combined Authority has established the following Boards and Committees:

- Transport and Infrastructure Committee
 - Skills Committee
 - Housing and Communities Committee
 - Employment Committee
- 1.1.16 Part 8: Financial Regulations setting out how the Combined Authority's financial affairs are managed.
- 1.1.17 Part 9: Procurement and Contract Procedure Rules providing an overview.....
- 1.1.18 Part 10: Access to Information, Information Governance, Data Protection and Complaints setting out the rights of the public, as well as detail on how information is managed.
- 1.1.19 Part 11: Employment Rules and Regulations setting out how officers are appointed and dismissed and the role that Elected Members have in officer appointments and dismissals.
- 1.1.20 Part 12: Allowances
- 1.1.21 Part 13: Audit & Governance Committee setting out the functions and terms of reference of this statutory committee.
- 1.1.22 Part 14: Overview & Scrutiny Committee setting out the functions and terms of reference of this statutory committee.
- 1.1.23 Part 15: Business Board which is the Local Enterprise Partnership for its area and is a non-statutory body. The Business Board is independent of the Combined Authority operating as a private-public sector partnership, focussing on the key business sectors to drive growth in the Cambridgeshire and Peterborough, and wider Local Enterprise area. The Combined Authority is the accountable body for funding awarded to the Local Enterprise Partnership.
- 1.1.24 Part 16: Members which lays out the Member Code of Conduct; how Members register interests; and how complaints against members can be made and are dealt with.
- 1.1.25 Part 17: Subsidiary Companies and Shareholder Oversight providing an overview of the Combined Authority trading companies and the Shareholder Board.
- 1.1.26 Part 18: Officer Schemes of Delegation outlining the Schemes 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.
- 1.1.27 Part 19: Policies and Protocols which is a section setting out, as annexes, the policies and protocols of the Combined Authority.
- 1.1.28 Appendices: a number of appendices to the main body of the Constitution.

Monitoring and Reviewing the Constitution

- 1.1.29 The Monitoring Officer will regularly monitor and review the operation of the Constitution.
- 1.1.30 The Chief Finance Officer shall be responsible for monitoring and keeping under review the Financial Regulations set out in the Constitution.
- 1.1.31 It is the responsibility of the Combined Authority Board to review the Constitution on an annual basis.

Changes to the Constitution

- 1.1.32 The Constitution will be amended as the Combined Authority develops.
- 1.1.33 Changes to the Constitution will be agreed by the Combined Authority Board in accordance with the voting arrangements as set out in [Chapter 5 – Standing Orders](#) unless in the reasonable opinion of the Monitoring Officer a change is required in the circumstances set out in his/her delegated powers. [Chapter 18 - Officer Scheme of Delegation](#).

Common Seal of the Combined Authority

- 1.1.34 The Common Seal of the Combined Authority will be kept in a safe place in the custody of the Monitoring Officer. A decision of the Combined Authority, or any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed. The affixing of the Common Seal will be attested by the Monitoring Officer or some other person authorised by the Monitoring Officer.

CHAPTER 2: MEMBERSHIP OF THE COMBINED AUTHORITY

2.1 The Establishment of the Combined Authority

- 2.1.1 The Cambridgeshire & Peterborough Combined Authority (Election of Mayor) Order 2017 established the Combined Authority as a Mayoral Combined Authority; and the first Mayor was elected in May 2017 (the second in May 2021). The Mayor is directly elected by the local government electorate of Cambridgeshire and Peterborough and serves a four-year term of office. The Combined Authority Mayor, by virtue of holding office, shall be a Member of, and Chair the Combined Authority Board; with responsibilities, and checks and balances on the exercise of those responsibilities, as set out by this Constitution.
- 2.1.2 The Mayor and the Combined Authority Board, and the Executive Committees will work together in collaboration, in the interests of the people of the Cambridgeshire and Peterborough. This Constitution sets out arrangements to ensure the effective conduct of the Combined Authority's business, in this spirit of collaboration, mutual respect and transparency. All members will strive to work on the basis of consensus, taking decisions through agreement. These principles shall apply irrespective of the statutory basis for the exercise of those powers; whether through the powers and responsibilities of the Mayor, the Combined Authority, or the Business Board. The powers of the Mayor are to be exercised through collaboration within the Combined Authority Board, and in partnership with all relevant stakeholders.

2.2 Constituent Authorities

- 2.2.1 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.
- 2.2.2 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 nominate a replacement as soon as possible.
- 2.2.3 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.
- 2.2.4 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.

- 2.2.5 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 on receipt of notification.

2.3 Business Board

- 2.3.1 The Business Board 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).
- 2.3.2 The Combined Authority will consider the nomination and appoint the Business Board Member and the Business Board Substitute Member. Each appointment shall be for a one-year term.
- 2.3.3 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 that nominated them. The Business Board shall appoint or nominate a replacement as soon as possible.
- 2.3.4 A Member or Substitute Member may resign by giving written notice to the Chair or Vice-Chair of the Business Board, and the resignation takes effect on the receipt of the notice. The Business Board shall notify the Combined Authority forthwith of the resignation.
- 2.3.5 Where the Business Board 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.
- 2.3.6 The Combined Authority must consider the appointment of the nominated Business Board 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.

2.4 Co-opted Members

- 2.4.1 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 these Co-opted Members 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.
- 2.4.2 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.

- 2.4.3 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.
- 2.4.4 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 two working days prior to attendance at any meeting of the Board.
- 2.4.5 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.
- 2.4.6 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

3.1 Roles and Functions Reserved to the Mayor of the Combined Authority

- 3.1.1 The Mayor and the other Members of the Combined Authority will work closely together. Specifically, the Mayor:
- (a) will provide overall leadership and chair Combined Authority Board meetings;
 - (b) may nominate lead member responsibilities, the membership and chairs of executive committees 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) will also be a member of the Business Board recognising the importance of the Business Board's role and the private sector in any growth strategies or delivery for the Combined Authority area.
- 3.1.2 The Mayor must appoint a statutory Deputy Mayor of the Combined Authority. The role of the statutory Deputy Mayor is set out in paragraph 3.6 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 n below.

3.2 General Functions of the Mayor

- 3.2.1 The Mayor will exercise the following general function:
- 3.2.1.1 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.
 - 3.2.1.2 Prior to the payment of the grant the Mayor must consult the Combined Authority.
 - 3.2.1.3 Members and officers of the Combined Authority may assist the Mayor in the exercise of the function to pay grant.

3.3 Powers of the Mayor

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

3.3.1.2 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.

3.3.2 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.

3.3.3 The Mayor may exercise their power to ask the Secretary of State for Transport to make regulations under Section 11 of the Automated and Electric Vehicle Act 2018 requiring large fuel retailers and service area operators to provide public charging points and to ensure public charging points are maintained and easily accessible. The power would be limited to large fuel retailers in the area within their authority.

3.4 Nominations to Lead Member Responsibilities and to Executive Committees

3.4.1 The Mayor and the Combined Authority Board shall agree lead member responsibilities in respect of the Combined Authority functions.

3.4.2 The Mayor shall nominate the agreed lead member responsibilities and membership (including the Chair) of any executive committees to any member of the constituent councils, subject to any rules within the terms of reference of those committees. Board members nominated to an executive committee may nominate their substitute member on the Board or another member from a constituent council to be a member of the committee. The Board member shall also nominate a named substitute member.

3.4.3 The nominations to lead member responsibilities and the nominated membership and chairs of any executive committees shall be reported to the Combined Authority Board for formal approval by a simple majority vote which must include the Mayor.

3.5 Mayor's Budget and Spending Plans

- 3.5.1 The Mayor must also set a budget and consult the Combined Authority Board on their spending plans and draft budget in accordance with the Budget Framework Procedure Rules (see Chapters 6: Decision Making and Chapter 8: Financial Regulations).
- 3.5.2 Any Mayoral budget, strategies and spending plans must be approved by the Combined Authority Board in accordance with the special voting rules (see Chapter 6 – Decision-Making).

3.6 Deputy Mayor

- 3.6.1 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 them from office, they resign as Deputy Mayor or they cease to be a Member 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 becomes vacant.
- 3.6.2 If a vacancy arises in the office of statutory Deputy Mayor, the Mayor shall immediately appoint another Member of the Combined Authority to the post of statutory Deputy Mayor.
- 3.6.3 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.
- 3.6.4 For reasons of good governance, the Mayor may appoint a second non- statutory Deputy Mayor from amongst the Constituent Council members as they think appropriate.
- 3.6.5 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.
- 3.6.6 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.

3.7 Delegation of Functions Reserved to the Mayor

3.7.1 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.

3.7.2 The Mayor shall produce a scheme of delegation for any delegated functions.

3.7.3 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).

3.8 Mayoral Decisions

3.8.1 Any Mayoral decisions will be made in accordance with the Constitution including the Transparency Rules, Forward Plan and Key Decisions (see Chapter 6 – Decision-Making).

CHAPTER 4: THE COMBINED AUTHORITY FUNCTIONS AND RESPONSIBILITIES

4.1 Functions Reserved to the Combined Authority Board

4.1.1 The following functions are reserved to the Combined Authority Board:

Strategies and Plans

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

- (a) The Mayor's growth ambition statement;
- (b) Business Plan;
- (c) Business cases for key priority projects identified in the Business Plan;
- (d) Local Industrial Strategy;
- (e) Local Transport Connectivity Plan;
- (f) Bus Strategy;
- (g) Approval of the key route network;
- (h) Skills Strategy;
- (i) Housing Strategy;
- (j) Investment Strategy;
- (k) Non-Statutory Strategic Spatial Plan;
- (l) Market Town Masterplans for Growth;
- (m) Business Plan, Annual Accounts and Shareholders Agreement for Cambridgeshire and Peterborough Combined Authority Holding Company;
- (n) Other strategies and plans as agreed.

Frameworks

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

- (a) Assurance Framework;
- (b) Monitoring & Evaluation Framework.

Financial Matters

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

- (a) The non-mayoral Combined Authority budgets;
- (b) Approval of carry forward of any underspent balances between financial years;
- (c) Annual spending plans for the allocation of transport-related funding;
- (d) Treasury Management Strategy including approval of borrowing limits;
- (e) Medium Term Financial Plan and Capital Programme
- (f) Fiscal Strategy to reflect any taxation proposals, such as Business Rates, Local Taxation, and to approve any requests to Government for additional powers.

4.1.5 Consultation on the allocation of Local Highways Maintenance Capital Grant

4.1.6 Approve budget allocations for feasibility work from the non-transport feasibility fund

4.1.7 Approve business cases and loans to third party businesses including wholly owned subsidiaries;

4.1.8 Approve applications to bid for external funding where there are wider budgetary implications, or the bid relates to a matter outside the strategic framework.

4.1.9 Approval of virements of £500,000 and over;

4.1.10 In relation to the Mayor's General Budget, and in accordance with the Budget Framework Procedure Rules (see Chapter *n* – Financial Regulations):

- (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.

4.2 Accountable Body

4.2.1. Auditing decisions for funding approved by the Business Board for Local Growth Funds, Growth Hub funding, Energy Hub funds and Enterprise Zones funds.

4.3 Governance

4.3.1 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) Approve the nomination of lead member responsibilities and membership and chairs of executive committees and sub-committees upon recommendation from the Mayor;
- (e) Approval of Mayoral Allowance and any other allowance schemes;
- (f) Appointment of an Independent Person of the Audit and Governance Committee;
- (g) Appointment of Statutory Officers;
- (h) Delegation of functions to third parties;
- (i) Establishment of Trading Companies;
- (j) Any other matters reserved to the Board.

4.3.2 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.

4.3.3 The Combined Authority Board shall have the power to reserve decisions to itself which would otherwise be taken by the Executive Committees.

4.4 Membership of the Combined Authority Board

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

- (a) The Mayor, or Deputy Mayor acting in the Mayor's absence
- (b) An elected Member appointed by each of the Constituent Councils or Substitute Members acting in their place;
- (c) A Representative of the Business Board or Substitute Members acting in their place;
- (d) Co-opted Members (non-voting) invited to attend who shall be present to contribute on issues related to the organisation they represent.

4.4.2 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, unless the failure was due to some reason approved by the authority before the expiry of that period, they cease to be a Member of the Board.

4.5 Functions of the Combined Authority

4.5.1 The functions of the Combined Authority are grouped into lead member responsibilities, allocated to Constituent Council Members of the Combined Authority and include the following responsibilities:

- (a) To lead and champion their allocated lead member functions;
- (b) To act as key spokesperson for the Combined Authority within their respective Constituent Councils
- (c) To chair and lead a committee where established;
- (d) To provide leadership for officers on the development of key strategic documents or investment proposals for approval by relevant committees or the Combined Authority Board;
- (e) To provide leadership for their geographical area within the collective Combined Authority into future devolution proposals and public sector reform;
- (f) To liaise with Members holding similar lead member responsibilities within the Constituent Councils.
- (g) To lead on the development of key strategic documents for approval by the Combined Authority;
- (h) To develop and present investment proposals to the Combined Authority;
- (i) To communicate with the public on matters within their portfolios and to be accountable for their portfolio areas;
- (j) To input into any future devolution proposals and public sector reform.

4.6 Executive Bodies

4.6.1 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. The Board cannot delegate its functions to individual members of the Board.

4.7 Working Groups

4.7.1 The Combined Authority may establish informal working groups. These groups will be non-decision making groups of Officers and Members.

4.8 Membership

- 4.8.1 The Combined Authority shall appoint the membership of all executive committees, sub-committees, joint committees and working groups, including the appointment of the Chair, Substitute Members and any Co-opted Members. In accordance with Chapter 3, the Mayor shall nominate the membership and chairs of any executive committees to the Board for approval.
- 4.8.2 The political balance rules apply to all committees, sub-committees and joint committees where political groups are formed. Where political groups are not formed the Combined Authority has agreed that at least one member of a party not of the same political affiliation as the Mayor shall be appointed to all committees.
- 4.8.3 The Monitoring Officer has delegated authority to accept changes to membership of committees notified by Board members during the municipal year to ensure there is a full complement of members or substitute members at committee meetings. The new appointment shall take effect after the nomination has been approved by the Monitoring Officer.

4.9 Quorum

- 4.9.1 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 three Members.

4.10 Access to Meetings

- 4.10.1 The Transparency Rules, Forward Plan and Key Decisions apply to all committees, sub-committees and joint committees (see Chapters 6: Decisions; and 10: Access to Information, Information Governance, Data Protection and Complaints). These rules do not apply to working groups and commissions.

CHAPTER 5: STANDING ORDERS

5.1 Introduction

5.1.1 These rules apply to Combined Authority Board meetings and, subject to the limitations set out in Chapter 7: Boards and Committees of this Constitution to any committees or sub-committees of the Board.

5.2 Types of Meetings

5.2.1 There are three types of meeting:

- The Annual Meeting of the Combined Authority;
- Ordinary meetings;
- Extraordinary meetings.

5.3 Annual Meeting

5.3.1 The Combined Authority will normally hold an Annual Meeting (between 1 May and 30 June) following Constituent Councils' Annual Meetings.

5.3.2 The Annual Meeting will:

- (i) note the appointment of Members of Constituent Councils and the Business Board (and their Substitute Members);
- (ii) receive any declarations of interest from Members;
- (iii) approve minutes of the last meeting;
- (iv) appoint any or Co-opted Members;
- (v) approve lead members 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 Constituent Councils;
- (viii) appoint the 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.

5.3.3 The Combined Authority Board may decide at subsequent meetings to dissolve Committees, alter their terms of reference or to appoint new Committees.

5.4 Ordinary Meetings

5.4.1 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.

5.4.2 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 n below;
- (v) receive petitions in accordance with Standing Order n 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.

5.4.3 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.

5.4.4 If any issues arise at a meeting in relation to interpretation of the meeting procedure rules the Chair's decision shall be final.

5.5 Urgency

5.5.1 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 (see Chapter 6: Decision Making).

5.6 Extraordinary Meetings

5.6.1 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 three 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.

5.6.2 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 their absolute discretion permit other items of business to be added to the agenda for the efficient discharge of the Combined Authority's business.

5.7 Notice of Meetings and Agendas

5.7.1 Notice of meetings, agendas and reports will be published in accordance with the Transparency Rules, Forward Plan and Key Decisions (see Chapter 6: Decision-Making and Chapter 10: Access to Information, Information Governance, Data Protection and Complaints).

5.8 Public Access

5.8.1 As set out in Chapter 10: Access to Information, Information Governance, Data Protection and Complaints, 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.

5.9 Attendance

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

5.10 Notice of Substitute Members

5.10.1 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.

5.10.2 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.

5.11 Chair and Vice-Chair

5.11.1 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.

5.11.1 If the Mayor resigns or the position is vacant, the statutory Deputy Mayor shall chair the Combined Authority Board.

5.11.2 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.

5.11.3 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.

5.11.4 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.

5.12 Quorum

5.12.1 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 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.

5.12.1 If the Mayor is not in post, or if for any reason

- (a) the Mayor is unable to act, or the office of Mayor is vacant, and
- (b) the deputy Mayor is unable to act, or the office of deputy Mayor is vacant,

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.

5.13 Declarations of Interest in Meetings

5.13.1 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.

5.13.2 All Members and their Substitute Members, and Co-opted Members and their Substitute Members shall also complete a Declaration of Interest form.

5.13.3 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.

5.14 Rules of Debate

- 5.14.1 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.
- 5.14.2 The Chair may invite the Mayor (if in attendance) a Member or Officer to present the item for debate. An Officer includes a contractor for services whose work/contract is relevant to the item.
- 5.14.3 The Chair will decide the order in which speakers will be heard and may permit both Members and Officers to speak on the item.
- 5.14.4 Members will remain seated when speaking and must address the Chair.
- 5.14.5 Speeches must be directed to the subject under discussion or to a personal explanation or point of order.
- 5.14.6 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.
- 5.14.7 A Member may move a motion without giving notice as required by paragraph 5.15 below based upon recommendations in a report or may move amended or alternative recommendations.
- 5.14.8 If an amendment is moved the mover of the original motion has the right of reply on the debate concerning the amendment.
- 5.14.9 The mover of the motion has a right of reply at the end of the debate immediately before it is put to the vote.

5.15 Motions Submitted in the Name of a Member

- 5.15.1 Any Member of the Board appointed by a Constituent Council or the Business Board may give notice of a motion for consideration at any ordinary meeting of the Combined Authority.
- 5.15.2 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.
- 5.15.3 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.

- 5.15.4 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 12:00 on the sixth working day before the day of the Combined Authority meeting, but not including the day of the meeting itself.
- 5.15.5 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.
- 5.15.6 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.
- 5.15.7 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.
- 5.15.8 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.

5.16 Amendments to Motions

5.16.1 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 words, as long as the amendment does not have the effect of negating the motion.

5.16.2 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.

5.16.3 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.

- 5.16.4 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.

5.17 Voting

General Voting

- 5.17.1 Each voting Member shall have one vote. There shall be no casting vote. A “Member” includes:

- (a) the Mayor;
- (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.

- 5.17.2 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.

- 5.17.3 If a vote is tied it is deemed not to have been carried.

- 5.17.4 If there is a deadlock, the matter shall be brought back to the next meeting of the Combined Authority Board.

- 5.17.5 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.

- 5.17.6 If for any reason:

- (a) the Mayor is unable to act, or the office of Mayor is vacant, and
- (b) the deputy Mayor is unable to act, or the office of deputy Mayor is vacant, the other members of the combined authority must act together in place of the Mayor taking decisions by a simple majority.

Special Voting

5.17.7 A decision on a question relating to:

- (a) amendments to the Constitution;
- (b) determining a request by an organisation to become a Co-opted Member on the Combined Authority Board;

requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) present and voting.

5.17.8 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 present and voting to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.

5.18 Voting on the Mayoral Matters

5.18.1 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).

- (c) 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.

5.19 Recorded Votes

- 5.19.1 A Member may ask prior to the vote or immediately after the vote is taken, that their vote is recorded in the minutes of the relevant meeting.
- 5.19.2 Where Members vote on the budget, the vote will be recorded.
- 5.19.3 On the request of any Member of the Authority, supported by two other Members appointed by separate Constituent Councils before a vote is taken, the voting on any question shall be recorded so as to show whether each Member present gave their vote for, abstained or against that question or did not vote

5.20 Voting on Appointments

- 5.20.1 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.

5.21 Minutes

- 5.21.1 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.
- 5.21.2 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.
- 5.21.3 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 5.21.2, 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.

5.22 Questions by the Public

- 5.22.1 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 at Combined Authority Board meetings, including at an Extraordinary Meeting, or at an Executive Committee. For Extraordinary Meetings, the question must relate to the item on the agenda.
- 5.22.2 Where there is an item on the agenda that in the opinion of the Chair 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.
- 5.22.3 The Chair may agree that a member of the public asking a question do so via remote access technology. Where this access fails during a meeting, the Chair may elect to ask an Officer to read the question out, or the question to not be heard and for a written answer to follow.

5.23 Questions by the Members

- 5.23.1 The Overview and Scrutiny Committee has adopted a pre-scrutiny model whereby it meets before every Combined Authority Board meeting to scrutinise the Board's agenda. At this meeting, the Committee shall discuss and formally agree by means of a vote a list of questions to be raised at the next Combined Authority Board meeting following discussion with officers and relevant executive board members. The agreed list of questions shall be raised by the Chair, on behalf of the Committee, at the next Combined Authority Board meeting.
- 5.23.2 The agreed list of questions shall be raised by the Chair, on behalf of the Committee, at the next Combined Authority Board meeting; the questions must be acknowledged and the Mayor will deal with the question or statement, or request that an appropriate Member or Officer reply orally. If this is not possible, the Overview and Scrutiny Committee will be provided with a written answer within ten working days.
- 5.23.3 Members of Constituent Councils should submit any questions on items on the Combined Authority Board agenda to the Overview and Scrutiny Committee scrutinising that Board agenda. Requests to speak at meetings of the Combined Authority Board on items on the Board's agenda will then be at the discretion of the Mayor.
- 5.23.4 Members of Constituent Councils may also ask questions of a Member of the Combined Authority at executive committees.

5.23.5 Members of Constituent Councils may ask questions of a Member of the Combined Authority at a Combined Authority Board meeting which do not relate to an item on the Combined Authority Board agenda, including at an Extraordinary Meeting, provided the question is not substantially the same as a question which has been put to the Board by the Chair of the Overview and Scrutiny Committee or one of its Executive Committees, and in relation to an Extraordinary Meeting that it relates to an item on the agenda.

5.24 Time Limit

5.24.1 The total time allocated for questions by the public and Members shall normally be limited to a maximum of 30 minutes, but the Chair shall have the discretion to add a further 15 minutes.

5.25 Order of Questions

5.25.1 Questions raised by the Chair of Overview and Scrutiny Committee will be taken first at the relevant item followed by questions submitted by the public. Priority will be given to questions on items on the agenda for the meeting, or issues where decisions are expected before the next meeting. Questions will be taken at the meeting in the order in which they were received.

5.26 Notice of Questions

5.26.1 A question may only be asked if it has been submitted 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 address and contact details of the questioner, the name of the organisation if the question is being asked on their behalf, details of the question to be asked, and the name of the Member of the Combined Authority Board to whom it is to be put.

5.27 Number of Questions

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

5.28 Scope of Questions

5.28.1 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 Combined Authority staff;
- (c) is substantially the same as a question which has been put at a meeting of the Combined Authority Board or an executive committee in the past year;
- (d) is substantially the same as a question which has been put at a meeting of the Combined Authority Board by the Chair of the Overview and Scrutiny Committee; or
- (e) requires the disclosure of confidential or exempt information

they will inform the Chair who will then decide whether or not to reject the question.

5.29 Record of Questions

- 5.29.1 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.
- 5.29.2 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.

5.30 Asking the Question at the Meeting

- 5.30.1 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. Subject to the exception at 5.22.3 above, if a questioner who has submitted a written question is then unable to be present, they can ask for a written response or that their question be read out by the clerk. No debate will be allowed on the question or response.

5.31 Supplementary Questions

5.31.1 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 and must not introduce new material. One minute is allowed for putting the supplementary question.

5.32 Answers

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

5.33 Questions by Combined Authority Board Members

On Reports or Minutes of the Combined Authority Board or Committees

5.33.1 A member of the Board may ask the Mayor, another Combined Authority Board Member or the Chair of a committee, a question without notice when that item is under consideration by the Combined Authority Board, or upon any minute of a meeting of that forum which has been published since the last meeting of the Board.

Written Questions on Notice at Combined Authority Board

5.33.2 Subject to Rule 5.33.5, a member of the Board may ask the Mayor, another member of the Combined Authority Board, The Chair of any committee or sub-committee, Lead Members; or the Chair of (or other member representing) any other forum in relation to which the Combined Authority has powers or duties or which affect the area of the Authority.

Questions Set Out in the Agenda

5.33.3 Questions for which notice has been given will be listed on the agenda in the order in which notice was received, unless a member submits more than one question, or the member giving notice states, in writing, that they propose to move it to a later meeting or withdraw it.

5.33.4 Where a member submits more than one question, other questions from other members will be asked before their second question.

Notice of Questions

5.33.5 A member may only ask a question under 5.33.2 if either:

- They have given at least four clear working days' notice in writing of the question to the Monitoring Officer; or
- The question relates to urgent matters and they have the consent of the Mayor or the Deputy mayor acting in place of the mayor and the content of the question is given to the Monitoring Officer by 9.00am on the day of the meeting.

Question and Response

5.33.6 Each question shall be put and answered in turn without discussion. The question should be put within one minute and the response should not exceed two minutes.

5.33.7 A Member may submit no more than two written questions for a meeting. An unanswered question will receive a written answer circulated later to the questioner.

5.33.8 An answer may take the form of:

- A direct oral answer;
- Where the desired information is in a publication of the Combined Authority or other published work, a reference to that publication; or
- Where the reply cannot be conveniently given orally, a written answer circulated later to the questioner.

Supplementary Question

5.33.9 A member asking a question under Rule 5.33.2 may ask one supplementary question without notice of the Member to whom the first question was asked which shall be put and answered without discussion. The supplementary question must arise directly out of the original question or the reply and can only be asked by the original questioner.

Time Limit

5.33.10 The time allocated for questions on notice under Rule 5.33.2 shall be no more than 15 minutes (subject to the Mayor's discretion to extend this period). A question in progress, on reaching the time limit will be permitted to continue at the discretion of the Mayor.

5.34 Petitions from the Public

5.34.1 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.

5.34.2 A petition should be received by the Monitoring Officer no later than midday three working days before the day of the meeting.

5.35 Attendance by committee or subcommittee chairs

The Chair of any of the Authority's committees or sub-committees may be invited to attend and speak at any meeting of the Authority to:-

- present any reports or recommendations of that committee or sub-committee; or
- answer questions about any matter set out in the minutes of that committee or sub-committee; or
- contribute to discussion about any matter which is relevant to the functions discharged by the committee or sub-committee of which they are Chair.

5.36 Conduct at Meetings: Member not to be Heard Further

5.34.3 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 not be heard further. If seconded, the motion will be voted on without discussion.

5.37 Conduct at Meetings: Member to Leave the Meeting

5.37.1 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 the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

5.38 Conduct at Meetings: General Disturbance

5.38.1 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.

5.39 Conduct at Meetings: removal of a Member of the Public

5.39.1 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.

5.40 Conduct at Meetings: Clearance of Part of a Meeting Room

5.40.1 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.

5.41 Suspension of Procedure Rules

- 5.41.1 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.
- 5.41.2 The Protocol on the Webcasting of Meetings which can be found in Chapter 19: Policies and Protocols, Appendix 7 shall apply to the webcasting of the meetings of the Combined Authority and its committees.

5.42 Photography, Audio/Visual Recording of Meetings and Blogging/Tweeting

- 5.42.1 Please see Chapter 10: Access to Information, Information Governance, Data Protection and Complaints.

5.43 The proceedings of the Authority are not invalidated by any vacancy among its Members or any defect in the appointment or qualifications of any Member.

Strategic Policy debates

- 5.44 The Mayor, after consultation with the Chair, Board Members, Lead members, Chairs of the overview and scrutiny committees, Audit and Governance and the Group Leaders, if necessary and appropriate, shall identify those issues of strategic policy which shall be the subject of debate by CA.
- 5.45 A meeting which could also take place remotely can be scheduled to debate these policies.
- 5.46 The conduct of strategic policy debates shall be regulated by the Mayor, subject to the following guidelines:
- 5.47 The policy must relate to the Authority's powers or duties or be matters that affect its residents.
- 5.48 All members will wherever possible, receive a briefing paper in advance of the meeting on the policy to be subject of debate.
- 5.49 (Rules of Debate) shall not apply during strategic policy debates but the time allowed for the debate shall not normally exceed 45 minutes.
- 5.50 The Chief Executive, after consultation with the Mayor, shall be authorised to invite representatives of constituent authorities or of partner organisations to participate in the debate, as appropriate.
- 5.51 No formal decisions shall be taken upon the matter under consideration but the views and conclusions of the Board upon the matter shall be forwarded to the relevant body responsible for policy development/review, as appropriate.
- 5.52 This meeting can take place remotely.

CHAPTER 6: DECISION-MAKING

6.1 All decisions of the Authority should be made in accordance with the following principles: -

- (i) proportionality (meaning the action must be proportionate to the results to be achieved);
- (ii) due consultation (including the taking of relevant professional advice);
- (iii) respect for human rights;
- (iv) presumption in favour of openness and complete transparency and an expectation that reports will be drafted so that, wherever practicable, any exempt information is extracted and placed in a separate appendix in order that the remainder of the report may be considered in open session;
- (v) clarity of aims and desired outcomes;
- (vi) due consideration to be given to all options to guard against any form of predetermination in any decision-making process; and
- (vii) The public sector equality duty
- (viii) Consideration of the outcome of any consultation;
- (ix) Only relevant matters to be taken into account.
- (x) Due weight to be given to all material considerations;
- (xi) Lawfulness and financial propriety, and
- (xii) All decisions should be evidence-based.

SCRUTINY OF DECISIONS

6.2 Overview and scrutiny committees have been appointed by the Authority to scrutinise decisions taken by the Executive. The responsibilities and terms of reference of these committees are described in Chapter 13 of the constitution. The overview and scrutiny committee will follow the Overview and Scrutiny Procedure Rules set out in Chapter 13.

6.3 Key Decisions

6.3.1 A “key decision” means a decision, which in the view of the Overview and Scrutiny Committee is likely to:

- (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.

6.3.2 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.

6.3.3 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

6.3.4 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 6.3 or 6.4 below as they may apply; and
- (c) notice of the meeting has been given in accordance with these rules.

6.4 The Forward Plan

6.4.1 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.

6.4.2 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 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.

6.4.3 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.

6.5 General Exception

6.3.1 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
- (c) at least five clear days have elapsed since the Monitoring Officer complied with (a) and (b) above.

6.4 Special Urgency Decision

6.4.1 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.

6.4.2 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.

6.5 Recording of Decisions Made by Officers and the Mayor

6.5.1 Where an officer or the Mayor makes a decision, including under specific delegation from a meeting of a decision-making body, the effect of which is:

- (a) to grant a permission or licence,
- (b) to affect the rights of an individual; or

- (c) to award a contract or incur expenditure which, in either case, materially affects the Combined Authority's financial position,

6.5.2 The decision-making officer must produce a written record of the decision as soon as reasonably practicable after the decision has been made which must contain the following information:

- (a) the date the decision was taken
- (b) a record of the decision taken along with reasons for the decision
- (c) details of alternative options, if any, considered and rejected; and
- (d) where the decision was made under specific delegation from a decision-making body, the names of any member of the relevant body who has declared a conflict of interest in relation to the decision.

6.5.3 The Combined Authority has determined that where the effect of an officer decision is to award a contract or incur expenditure, the value of the contract or expenditure above which it is to be considered as materially affecting the Combined Authority's position is to be £250,000.

6.5.4 The duty imposed by Procedure Rule 6.5.1 above is satisfied where, in respect of a decision, a written record, containing the date the decision was taken and the reasons for the decision, is already required to be produced in accordance with statute, and the duty does not require administrative and operational decisions to be recorded.

6.5.5 All written records produced in accordance with Procedure Rule 6.5.1 above, together with any background papers, must as soon as reasonably practicable after the record is made, be made available for inspection by members of the public:

- (a) at all reasonable hours, at the offices of the Combined Authority; and
- (b) on the Combined Authority's website.

6.5.6 All written records produced in accordance with Procedure Rule 16.1 above must be retained and made available for inspection by the public for a period of six years beginning with the date on which the decision, to which the record relates, was made.

6.5.7 Any background papers must be retained and made available for inspection by

the public for a period of four years beginning with the date on which the decision, to which the background papers relate, was made.

- 6.5.8 Nothing in Procedure Rules 6.5.1 to 6.5.7 requires the disclosure of exempt or confidential information.

6.6 Budget Framework Procedure Rules

Introduction

- 6.6.1 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.
- 6.6.2 Once the budget is in place it is the responsibility of the Combined Authority Board or the Mayor to implement.
- 6.6.3 The Budget Framework will comprise the following:

Mayor's General Functions Budget

- 6.6.4 The costs of the Mayor that are incurred in, or in connection with, the exercise of Mayoral functions is to be met from precepts issued by the authority under section 40 of the 1992 Act, unless funded from other sources.
- 6.6.5 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.
- 6.6.6 The Mayor must, before 1 February in any financial year, notify the Combined Authority of the Mayor's draft budget in relation to the following financial year.
- 6.6.7 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.
- 6.6.8 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

- (b) may include recommendations, including recommendations as to the relevant amounts and calculations that should be used for the financial year.

6.6.9 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 8 February.

6.6.10 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.

6.6.11 When the period specified by the Combined Authority Board in paragraph 6.6.10 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.

6.6.12 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 6.6.10 above expires.

6.6.13 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.

6.6.14 Where the Mayor has failed to notify the Combined Authority Board of the Mayor's draft budget before the 1 February, then the Combined Authority Board must determine the relevant amounts and calculations that are to be used for the financial year.

- 6.6.15 Any decision under 6.6.14 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.
- 6.6.16 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.

Mayor's General Fund

- 6.6.17 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.
- 6.6.18 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.
- 6.6.19 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.
- 6.6.20 The Mayor must keep accounts of payments made into or out of the Mayor's general fund.

Combined Authority Budget

- 6.6.21 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.
- 6.6.22 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.
- 6.6.23 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.

6.6.24 Before 1 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.

6.6.25 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.

Mayor's Consideration of Report

6.6.26 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.

Combined Authority Board's Decision on Budget

6.6.27 The draft Budget shall be further considered at the meeting established under 6.6.25 (c) above. A two-thirds majority of the Members (six 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.

6.6.28 Immediately after any vote is taken at a meeting established under 6.6.25 (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.

- 6.6.29 A notice of the decision will be prepared by the Chief Finance Officer and given to each Constituent Authority.

Decisions that Contravene the Budget or the Plans or Strategies in the Policy Framework

- 6.6.30 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 - Combined Authority Board Functions](#), 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.
- 6.6.31 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.
- 6.6.32 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

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

CHAPTER 7: BOARDS AND COMMITTEES

7.1 Procedure Rules of Executive Committee Meetings

7.1.1 Access to Meetings

- 7.1.1.1 The rules outlined in [Chapter 10 – Access to Information, Information Governance, Data Protection and Complaints](#) apply to all committees, sub-committees and joint committees. -

7.1.2 Membership

- 7.1.2.1 The membership of committees is set out in its terms of reference.
- 7.1.2.2 If a member fails throughout a period of six consecutive months from the date of their last attendance to attend any meeting of the committee, then, subject to certain exceptions, they cease to be a member of the committee.
- 7.1.2.3 A person will cease to be a member or a substitute member of an Executive Committee if they cease to be a Member of the Constituent Council that nominated or appointed them. The Combined Authority Board Member shall appoint or nominate a replacement as soon as possible.
- 7.1.2.4 A member or substitute member may resign by giving written notice to the Monitoring Officer, and the resignation takes effect on the receipt of the notice.
- 7.1.2.5 The relevant Combined Authority Board Member shall at any time be entitled to terminate the appointment of a member or substitute member nominated by them and replace that member or substitute Member.
- 7.1.2.6 The Combined Authority Board Member must give written notice of the new nomination and the termination of the previous nomination to the Monitoring Officer. The termination will take effect immediately.
- 7.1.2.7 The Monitoring Officer has delegated authority to accept changes to membership of committees notified by Board members during the municipal year to ensure there is a full complement of members or substitute members at committee meetings. The new appointment shall take effect after the nomination has been approved by the Combined Authority Board Monitoring Officer and shall be reported to the following of the Board for ratification.

7.1.3 Quorum

- 7.1.3.1 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.

7.1.4 Chair and Vice-Chair

- 7.1.4.1 The Combined Authority Board shall appoint the Chair on the recommendation of the Mayor and they shall be the lead member for the functions of the committee. The Chair shall be selected from one of the seven constituent council representatives on the committee or the Mayor. No vice-chair shall be appointed. The committee shall appoint a chair for the meeting when the chair is absent.
- 7.1.4.2 Lead members have a strategic role in leading the development of future policy and budget allocations for approval at the Board or the committee. They work directly with officers to give guidance in the development of future policy. A chair shall fulfil this same role and has an additional responsibility of chairing a committee to operate within the agreed delegations for matters approved by the Board.

7.1.5 General Voting

- 7.1.5.1 Each voting Member shall have one vote. There shall be no casting vote. A “Member” includes:
 - (a) the Mayor (or deputy Mayor acting in his/her place) where the Mayor has accepted an appointment on the committee; and
 - (b) a Constituent Council Member (or his/her nominee) or a Substitute Member acting in that Member’s place.
- 7.1.5.2 Except decisions to which special voting arrangements apply, all decisions of the committee 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.
- 7.1.5.3 If a vote is tied it is deemed not to have been carried.
- 7.1.5.4 If there is a deadlock, the matter shall be referred up to the next meeting of the Combined Authority Board.
- 7.1.5.5 The proceedings of the committee 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.

7.1.5.6 If for any reason:

(a) the Mayor is unable to act or the office of Mayor is vacant, and

(b) the deputy Mayor is unable to act or the office of deputy Mayor is vacant,

or

(c) the Mayor has decided not to take place on a committee the other members of the combined authority must act together in place of the Mayor taking decisions by a simple majority.

7.1.6 Special Voting

7.1.6.1 Special voting arrangements are set out, Chapter 5 paragraph 5.17.7 – 5.17.8 of the constitution.

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

7.1.7 Recorded Votes

7.1.7.1 A Member may ask immediately after the vote is taken, that their vote is recorded in the minutes of the relevant meeting.

7.1.8 Reference up to the Combined Authority Board

7.1.8.1 Where a majority of members consider appropriate, a matter on the agenda may be referred for decision by the Combined Authority Board.

The report together with the committee's recommendations will be placed on the agenda of the next meeting of the Combined Authority Board for decision.

7.1.9 Minutes and Call-in of Committee Decisions

- 7.1.9.1 The Monitoring Officer shall publish details of decisions of the committee on the Combined Authority website and to all Members of the Committee, the Board Members and the Overview and Scrutiny Committee. Where the decision is made at a meeting, this shall be no later than the close of business on the third clear working day following the day of the meeting at which the decision was made.
- 7.1.9.2 Three Members of the Board may call-in a decision of the committee by notifying the Monitoring Officer. The power to call in an executive decision should only be used in exceptional circumstances. The decision will not be implemented and will be referred to the Combined Authority Board for review and decision.
- 7.1.9.3 On receipt of a call-in request, the Monitoring Officer shall:
 - (a) notify the Mayor, Members of the Combined Authority Board, Members of the Committee and Members of the Overview and Scrutiny Committee, of the call-in; and
 - (b) either call a meeting of the Board or refer the matter to the next scheduled Board meeting.
- 7.1.9.4 The Overview and Scrutiny Committee shall have five days after publication of the committee's decisions to call in a key decision, in accordance with the Overview and Scrutiny Committee's call in arrangements set out in Chapter 14: Overview and Scrutiny Committee.
- 7.1.9.5 An Executive decision (if not yet implemented) is subject to Call-In when made by:
 - (a) the Board as a whole body;
 - (b) A committee or subcommittee
 - (c) an Officer with delegated authority from the Board;and the decision has been published on the CA's website and made available at the main offices of the CA. The Record of Decision will bear the date on

which it is published and, subject to general exceptions, will specify the date on which the decision will come into force, and may then be implemented unless the decision is called in.

7.1.9.5 During the period between the decision being made and coming into force, any request for the call-in:

(a) Must include the detailed reasons/grounds for the Call-In. The member will provide:

- Details of the decision to be called in
- Which of the principles of decision making have not been followed and in what way(s)
- The names of the councillors requesting the call-in
- The action already taken to resolve the matter, including representations made to the decision maker

7.1.9.6 The grounds in support of a request for 'call in' are:-

- a) Inadequate consultation
- b) Inadequate evidence
- c) Decision outside the Budget and Policy Framework
- d) Decision not proportionate to the desired outcome
- e) Decision open to challenge on human rights
- f) Insufficient Legal, governance and Financial consideration
- g) Decision not within the power of the Decision maker.
- h) The 'call in' request would need to demonstrate that it is reasonable to 'call in' the decision and it is for the Chairman of Overview and Scrutiny to assess what is reasonable.
- j) The member must confirm that they have considered the principles of decision making in the constitution

7.1.9.7 Upon receipt of the call- in request, the Monitoring Officer shall consult with the Chair, or Vice Chair of the Overview and Scrutiny Officer in their absence, and shall determine whether or not the Call-in is in accordance with the requirement of these rules.

7.1.9.8 If the Call-In is accepted, the decision will be put on hold pending a decision of the Board.

7.1.9.9 If the Call in is not accepted, the Monitoring officer will provide reasons for the refusal to the member(s) requesting the Call-in.

7.1.9.10 The Monitoring Officer will provide a report for the meeting in respect of the Call-In which will include the procedure for the Call-In hearing.

Exemption from call- in

- 7.1.9.11 A matter may not be Called-in if it has already been considered by the Scrutiny Committee or if the decision is urgent and any delay would prejudice the interest of the council or the public in the opinion of the Monitoring Officer.
- 7.1.9.12 A decision will relate to a matter which is urgent if any delay caused by the Call-In process would:
- (a) be highly likely to result in the Council incurring significant additional expenditure or loss of significant additional income; or
 - (b) be highly likely to result in significant damage to the Council's reputation; or
 - (c) prevent the Council from meeting its legal obligations.
- 7.1.9.13 The Overview and Scrutiny Committee will take precedence over the Board in the matter of a Call-in. The Overview and Scrutiny Committee is the committee statutorily responsible to Review or scrutinise actions taken or decisions made by the authority.

7.1.10 Application of Chapter 5 [Standing Orders] to Executive Committees

- 7.1.10.1 The following rules from Chapter 5 [Standing Orders] shall apply to the meetings of Executive Committees with any necessary modification - Rule 5.4 [Ordinary Meetings and Urgency], Rule 5.7 [Notice of Meetings and Agendas], Rule 5.8 [Public Access], Rule 5.9 [Attendance], Rule 5.10 [Notice of Substitute Members], Rule 5.13 [Declaration of Interests], Rule 5.14 [Rules of Debate], Rule 5.21 [Minutes], Rule 5.22 [Questions by the Public] [not including rules on Petitions from the public], Rule 5.23 [Questions by Members], Rule 5.34-5.38 [Conduct at Meetings] and Rule 5.40 [Photography, Audio/Visual recording of Meetings and Blogging/Tweeting].

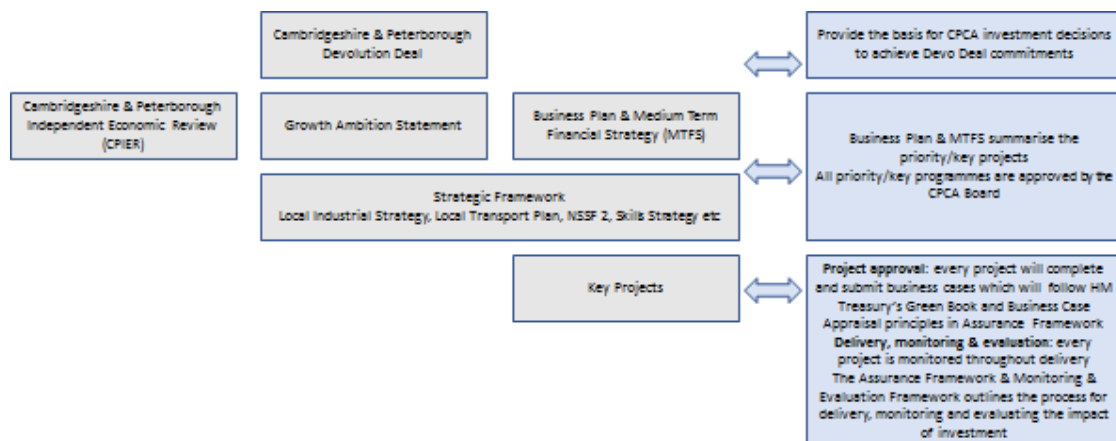
7.2 Transport and Infrastructure Committee

7.2.1 Governance

- 7.2.1.1 The Combined Authority has appointed a Transport and Infrastructure Committee. The committee is an executive committee of the Combined Authority Board. It takes decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

7.2.2 Introduction

- 7.2.2.1 The Transport and Infrastructure Committee operates within the terms agreed by the Combined Authority Board.
- 7.2.2.2 The Combined Authority Board retains responsibility for agreeing its strategies, key priorities and the budget as set out in Chapter 4 of the Constitution (for example Annual Business Plan, Medium Term Financial Strategy Local Transport Plan and Bus Strategy). These are known as 'reserved matters' or "the budget and policy framework".
- 7.2.2.3 The committee has responsibility for agreeing transport and infrastructure programmes and projects within the budget and policy framework.
- 7.2.2.4 The committee shall have responsibility for ensuring all programmes and projects comply with the Assurance Framework, and that they are monitored and evaluated in accordance with the Monitoring and Evaluation Framework.
- 7.2.2.5 The committee can initiate proposals for the Combined Authority Board to consider.
- 7.2.2.6 The committee shall apply the weighted voting rights that the Combined Authority Board applies to transport matters as set out in the committee procedure rules.
- 7.2.2.7 The budget and policy framework is summarised below:



7.2.3 Terms of Reference

Functions

- 7.2.3.1 The Transport and Infrastructure Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):
 - (1) The Local Transport Plan
 - (2) Bus Strategy
 - (3) Transport budget, including any transport levy
 - (4) Annual programme of strategic transport projects

- (5) Creation of the key route network
- (6) Delegation of passenger transport functions to delivery partners,
- (7) Business Cases for key priority projects identified in the Business Plan, or
- (8) Any other matters reserved to the Combined Authority Board

7.2.3.2 The committee shall exercise the Combined Authority's functions for the following:

- 7.2.3.2.1 Oversee the development and maintenance of the Local Transport Plan and Bus Strategy and any other key strategies reserved to the Combined Authority Board, including overseeing consultation and engagement processes, and making recommendations to the Board.
- 7.2.3.2.2 Oversee the development of all business cases for key priority projects as identified in the Business Plan. All business cases for priority projects require Cambridgeshire and Peterborough Combined Authority Board approval.
- 7.2.3.2.3 Approve the commissioning of feasibility studies to be funded from the transport feasibility study fund. This is unallocated budget for in- year determination of spend.
- 7.2.3.2.4 Ensure all programmes and projects are within the scope of the strategic and budget framework approved by the Board.
- 7.2.3.2.5 Oversee the development and approve transport policies and programmes not reserved to the Combined Authority Board.
- 7.2.3.2.6 When appropriate, ensure effective engagement and consultation is in place and can be evidenced.
- 7.2.3.2.7 Approve the commissioning of delivery partners where this is required and authorise the staged release of budget for transport and infrastructure projects in the Business Plan and funded from allocation within the Medium Term Financial Plan.
- 7.2.3.2.8 Monitor the delegation of passenger transport functions to delivery partners.
- 7.2.3.2.9 Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.
- 7.2.3.2.10 Monitor agreements with the Minister or strategic highways companies for the exercise of functions relating to the strategic network.
- 7.2.3.2.11 Oversee strategic relationships with national bodies (Network Rail), utility providers and other key stakeholders.

7.2.3.2.12 Matters initiated by the committee can be referred up to the Board for decision.

7.2.3.2.13 The Combined Authority Board may decide to refer further individual matters to the committee.

7.2.4 Strategic and Budget Framework

7.2.4.1 The Committee should ensure schemes contribute and meet the targets in the agreed strategic and budget framework. Any decisions must be within the parameters agreed by the Board.

7.2.5 Accountability

7.2.5.1 The Committee is accountable to the Combined Authority Board.

7.2.6 Membership

7.2.6.1 The Transport and Infrastructure Committee shall comprise eight members to include the Mayor or their nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.

7.2.6.2 Where the Mayor does not take up their appointment on a committee. The membership shall be seven members comprising a Board member from each of the seven constituent councils or their nominees.

7.2.6.3 The Combined Authority Board shall appoint the committee and substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to executive committees. See also Chapter 7: Boards and Committees, paragraph 7.1.

7.2.6.4 Co-opted Members of the Combined Authority Board should receive an open invite to all executive committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in Chapter 2: Membership of the Combined Authority, paragraph 2.4 of the constitution apply to committees.

7.2.7 Voting

7.2.7.1 Weighted voting rights apply to all transport related decisions and transport funding as set out in Chapter 7: Boards and Committees, paragraph 7.1.5.

7.2.8 Lead Director

7.2.8.1 The Lead Director for the Committee is the Director Delivery & Strategy

7.2.8 Working Groups

7.2.9.1 The Committee may establish informal working groups to assist with the delivery of its objectives. These groups are non-decision making groups of Officers and Members.

7.2.9.2 The remit and terms of reference for any such subordinate body shall be approved by the committee.

7.3 Skills Committee

7.3.1 Governance

7.3.1.1 The Combined Authority has appointed a Skills Committee. The committee is an executive committee of the Combined Authority Board. It takes decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

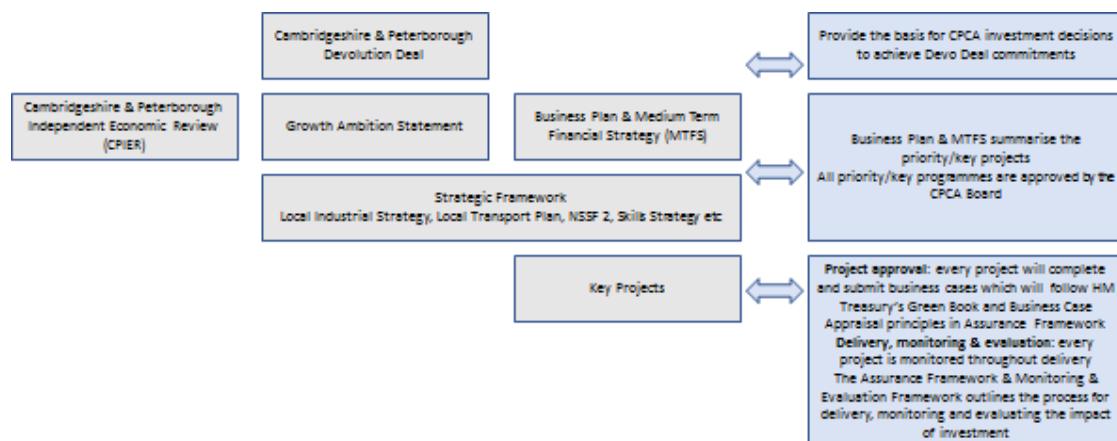
7.3.2 Introduction

7.3.2.1 The Skills Committee operates within the terms agreed by the Combined Authority Board.

7.3.2.2 The Combined Authority Board retains responsibility for agreeing its strategies, key priorities and the budget as set out in Chapter 4 of the Constitution (for example Annual Business Plan, Medium Term Financial Strategy and Skills Strategy). These are known as 'reserved matters' or "the budget and policy framework".

7.3.2.3 The committee has responsibility for agreeing education and skills programmes and projects within the budget and policy framework.

- 7.3.2.4 The committee shall have responsibility for ensuring all programmes and projects comply with the Assurance Framework, and that they are monitored and evaluated in accordance with the Monitoring and Evaluation Framework.
- 7.3.2.5 The committee can initiate proposals for the Combined Authority Board to approve.
- 7.3.2.6 The committee is responsible for overseeing the work of the Employment and Skills Board, an advisory panel of the Skills Committee, and any sub-groups set up by the Board.
- 7.3.2.7 The budget and policy framework is summarised below:



7.3.3 Terms of Reference

Functions

- 7.3.3.1 The Skills Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):
- (1) Skills Strategy
 - (2) Projects to be included in the Business Plan and Medium Term Financial Plan
 - (3) Business cases for key priority projects identified in the Business Plan, or
 - (4) Any other matters reserved to the Combined Authority Board
- 7.3.3.2 The Skills Committee shall exercise the Combined Authority's functions for the following:

- 7.3.3.2.1 Oversee the development and maintenance of the Skills Strategy and any other strategies reserved to the Combined Authority Board, including overseeing consultation processes, and making recommendations to the Board.
- 7.3.3.2.2 Oversee the development of all business cases for key priority projects identified in the Business Plan.
- 7.3.3.2.3 Ensure all programmes and projects are within the scope of the strategic and budget framework approved by the Board.
- 7.3.3.2.4 Approve the commissioning of delivery partners where this is required and authorise the staged release of budget for education and skills projects in the Business Plan and funded from Medium Term Financial Plan.
- 7.3.3.2.5 Oversee the development and approve all other education and skills programmes and projects not reserved to the Combined Authority Board.
- 7.3.3.2.6 Ensure effective engagement and consultation is in place and can be evidenced.
- 7.3.3.2.7 Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.
- 7.3.3.2.8 Oversee coordination with:
 - (a) Department of Work and Pensions on the Work and Health Programme, and
 - (b) Department for Education on the Opportunity Area programme.
- 7.3.3.2.9 Oversee the delivery of the Health and Care Sector Work Academy (Innovation Pilot)
- 7.3.3.2.10 Matters initiated by the committee can be referred up to the Board for decision.
- 7.3.3.2.11 The Combined Authority Board may decide to refer further individual matters to the committee.

7.3.4 Strategic and Budget Framework

- 7.3.4.1 The Committee should ensure schemes contribute and meet the targets in the agreed strategic and budget framework. Any decisions must be within the parameters agreed by the Board.

7.3.5 Accountability

- 7.3.5.1 The Committee is accountable to the Combined Authority Board.

7.3.6 Membership

- 7.3.6.1 The Skills Committee shall comprise eight members to include the Mayor or their nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.
- 7.3.6.2 Where the Mayor does not take up their appointment on a committee. The membership shall be seven members comprising a Board member from each of the seven constituent councils or their nominees.
- 7.3.6.3 The Combined Authority Board shall appoint the committee and substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to executive committees. See also Chapter 7: Board and Committees, paragraph 7.1.
- 7.3.6.4 Co-opted Members of the Combined Authority Board should receive an open invite to all executive committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in Chapter 2: Membership of the Combined Authority, paragraph 2.4 of the constitution apply to committees.

7.3.7 Lead Director

- 7.3.7.1 The Lead Director for the Committee is Director Business and Skills

7.3.8 Working Groups

- 7.3.8.1 The Committee may establish informal working groups to assist with the delivery of its objectives. These groups are non-decision making groups of Officers and Members.

- 7.3.8.2 The remit and terms of reference for any such subordinate body shall be approved by the committee.
- 7.3.8.3 The following group has been established with the terms of reference set out below:

(a) Employment and Skills Board

7.3.9 Employment and Skills Board

7.3.9.1 Governance

- 7.3.9.1.1 The Combined Authority has appointed an Employment and Skills Board. The Board is an advisory board to the Skills Committee and is the Skills Advisory Panel for the purposes of the governance arrangements for the devolution of the Adult Education Budget. This reflects the requirement to provide an inclusive, advisory role for the Combined Authority, Employers, Providers and Customers.

7.3.10 Terms of Reference

- 7.3.10.1 Provide strong leadership on skills in the local area, engaging with employers and providers and providing skills advice to the accountable board of the Combined Authority's Skills Committee.
- 7.3.10.2 Advise on the strategic direction, determine priorities and monitor progress of the devolved Adult Education Budget.
- 7.3.10.3 Develop a clear understanding of current and future local skills needs and the local labour market as well as the present skills and employment support provision in the local area.
- 7.3.10.4 Focus on the needs of future learners and employers which have been identified by local partners, including colleges, university providers and employers.
- 7.3.10.5 Establish systems to ensure the student voice is heard.
- 7.3.10.6 Raise the profile of apprenticeships with local employers and providers.
- 7.3.10.7 Work closely with careers advisory services to ensure that learners are informed about potential career routes within a local area, and that all careers information and guidance is informed by up-to-date local labour market information.
- 7.3.10.8 Be underpinned by a stakeholder group including all providers.
- 7.3.10.9 Produce robust, authoritative evidence-based skills & labour market analysis

and skills provision in Cambridgeshire & Peterborough.

- 7.3.10.10 Build knowledge of the range of both local, regional and national employment provision that exists or is planned.
- 7.3.10.11 Present data analysis and share it with the wider employer and provider communities to ensure that their perspective on the local labour market and local employment and skills system is reflected.
- 7.3.10.12 Provide analysis to inform the development and the implementation of the 'People' element of the Local Industrial Strategy.

7.3.11 Task & Finish Groups

- 7.3.11.1 From time to time it may be necessary to establish a skills task and finish group, and other skills specialists may be invited to join these meetings. Any group would need to be sponsored by an Employment and Skills Board member, who may or may not chair the group, depending on the issues under consideration. Any discussions or agreed actions will be reported back to the Employment and Skills Board.

7.3.12 Membership

- 7.3.12.1 There will be a maximum of 20 members including the Chair. The Chair shall be a private sector member of the Cambridgeshire and Peterborough Combined Authority Business Board or a member of the Skills Committee.
- 7.3.12.2 The Board will comprise of at least 10 business people from across the Cambridgeshire and Peterborough Combined Authority area who between them will represent a variety industry sectors, different sizes of businesses, profit, and social enterprise businesses, The Board shall consist of

- (a) employers, those with knowledge and experience of skills and education, and Cambridgeshire & Peterborough representatives;

- (b) at least three to represent the publicly funded sector of the economy including but not limited to government, NHS, education and training and skills providers;

- (c) One position will be retained for the Community and Voluntary sector.

- 7.3.12.3 When a member is unable to attend a meeting, they may provide a

substitute, provided such substitute has delegated authority to represent their organisation. Members are expected to attend at least 70% of meetings.

7.3.13 Role of Employment and Skills Board Members

7.3.13.1 The specific role of a Board Member is to:

- (a) use their experience and knowledge to help shape strategy and policy on learning and skills development;
- (b) influence the prioritisation, planning and investment in skills supply and the shape of delivery;
- (c) support the strategic aims of the Cambridgeshire and Peterborough Business Board;
- (d) represent a range of people, organisations or views, not just their own or that of their organisation.

7.3.13.2 The Board will adopt good practise and its members will act within the General Duties and Obligations set out in its terms of reference and adopt the following values:

- (a) championing to influence and lead by example;
- (b) developing enterprising solutions that are creative;
- (c) Partnership working across the private, public and third sector;
- (d) sharing best practise;
- (e) being inclusive of each locality and community across Cambridgeshire and Peterborough.

7.3.13.3 All board members and observers shall be required to comply with the Combined Authority's Code of Conduct and all members and substitute members shall also be required to complete a Declaration of Interest form.

7.3.14 Observers

- 7.3.14.1 Specialists may be invited by the Chair to attend specific Board meetings or Agenda items where expertise is required.
- 7.3.14.2 Occasional observers may request to attend a meeting through the Chair.

7.3.15 Specialist Forums and Groups

- 7.3.15.1 The Cambridgeshire & Peterborough Education and Skills Board has a number of specialist advisory groups that will feed into the decision-making processes. These Forums will be working groups of the Cambridgeshire & Peterborough Education and Skills Board. These forums are advisory and non-decision making. These include:
 - (a) **Existing Provider Forums**; there are a number of existing forums operating within the Cambridgeshire & Peterborough Combined Authority area, and these can be supported to articulate a voice on skills to the Employment and Skills Board.
 - (b) **An Adult Education Budget Skills Group**; a specialist group for Adult Education Budget funding only with the twelve identified grant funded institutions indigenous or contiguous to the Cambridgeshire & Peterborough Combined Authority area.
 - (c) **A Data Analysis Group**; formed to provide an analysis of the local skills and labour markets to develop robust Labour Market Intelligence.
- 7.3.15.2 The Forum(s) will:
 - (a) Provide a voice about the Skills Funding system.
 - (b) Advise the Education and Skills Board on matters of vocational training and employment scheme delivery.
 - (c) Advise the Employment and Skills Board on short, medium and long- term strategies associated with skills funding.

- (d) Identify freedoms, flexibilities, and improvements that could be made to government and local funded training provision so that the Employment and Skills Board can promote changes that will improve local provision.

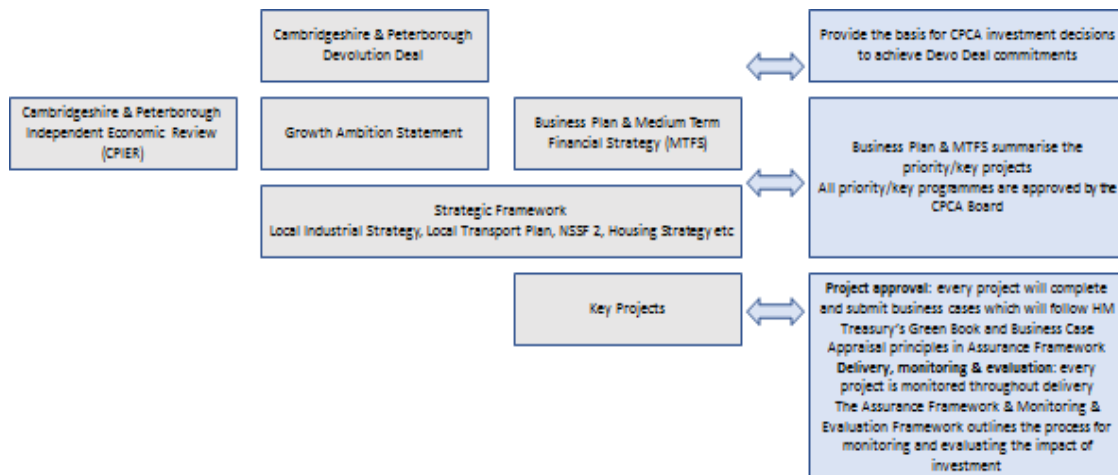
7.4 Housing and Communities Committee

7.4.1 Governance

- 7.4.1.1 The Combined Authority has appointed a Housing and Communities Committee. The committee is an executive committee of the Combined Authority Board. It takes decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

7.4.2 Introduction

- 7.4.2.1 The Housing and Communities Committee operates within the terms agreed by the Combined Authority Board.
- 7.4.2.2 The Combined Authority Board retains responsibility for agreeing its strategies, key priority projects and the budget as set out in Chapter 4 of the Constitution (for example Annual Business Plan, Medium Term Financial Strategy and the Housing Strategy). These are known as 'reserved matters' or "the budget and policy framework".
- 7.4.2.3 The Committee has responsibility for agreeing housing and community policies and projects within the budget and policy framework set by the Combined Authority Board.
- 7.4.2.4 The Committee shall have responsibility for ensuring all programmes and projects comply with the Assurance Framework, and that they are monitored and evaluated in accordance with the Monitoring and Evaluation Framework.
- 7.4.2.5 The Committee can initiate proposals for the Combined Authority Board to consider.
- 7.4.2.6 The budget and policy framework is summarised below:



7.4.3 Terms of Reference

Functions

7.4.3.1 The Housing and Communities Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):

- (1) Housing Strategy
- (2) Any other matters reserved to the Combined Authority Board.

7.4.3.2 The committee shall exercise the Combined Authority's functions for the following:

- 7.4.3.2.1 Oversee the development and management of the Housing Strategy and any other key strategies reserved to the Combined Authority Board, including consultation and engagement processes, and making recommendations to the Board.
- 7.4.3.2.2 Oversee the development of, and approve all policies arising from the Housing Strategy.
- 7.4.3.2.3 Ensure all programmes and projects are within the scope of the strategic and budget framework approved by the Board.
- 7.4.3.2.4 Ensure effective engagement and consultation is in place and can be evidenced.
- 7.4.3.2.5 Approve the commissioning of delivery partners where this is required.
- 7.4.3.2.6 Authorise the staged release of budget for housing projects to be funded from:

(a) £100m Affordable Housing Programme, allocated for affordable housing within the Cambridgeshire and Peterborough Combined Authority area to include:

- £60m grant funding
- £40m revolving funding, allocated to the Housing Company

(b) £70m Affordable Housing Programme allocated to Cambridge City Council.

7.4.3.2.7 Act as Accountable Body for the release of the Housing Infrastructure Funding for the Cambridge Northern Fringe East housing project.

7.4.3.2.8 Consider the Business Plan, Annual Accounts and Shareholders Agreement for Cambridgeshire and Peterborough Combined Authority Development Company and make recommendations to the Combined Authority Board.

7.4.3.2.9 Oversee the development and approve all other housing and community programmes and projects not reserved to the Combined Authority Board including but not limited to those relating to:

(a) Culture and Tourism

(b) Oversee delivery of the Connecting Cambridgeshire Project by Cambridgeshire County Council

7.4.3.2.10 Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.

7.4.3.2.11 Matters initiated by the committee can be referred to the Board.

7.4.3.2.12 The Combined Authority Board may decide to refer further individual matters to the committee.

7.4.4 Strategic and Budget Framework

7.4.4.1 The Committee should ensure schemes contribute and meet the targets in the agreed strategic and budget framework. Any decisions must be within the parameters agreed by the Board.

7.4.5 Accountability

- 7.4.5.1 The committee is accountable to the Combined Authority Board.

7.4.6 Membership

- 7.4.6.1 The Housing and Communities Committee shall comprise eight members to include the Mayor or their nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.
- 7.4.6.2 Where the Mayor does not take up their appointment on a committee. The membership shall be seven members comprising a Board member from each of the seven constituent councils or their nominees.
- 7.4.6.3 The Combined Authority Board shall appoint the committee and substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to executive committees. See also Chapter 7: Boards and Committees, paragraph 7.1 and Chapter 4: Combined Authority Functions and Responsibilities, paragraph 4.4.
- 7.4.6.4 Co-opted Members of the Combined Authority Board should receive an open invite to all executive committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in Chapter 2: Membership of the Combined Authority, paragraph 2.4 of the constitution apply to committees.

7.4.7 Lead Director

- 7.4.7.1 The Lead Director for the Committee is Director Housing.

7.4.8 Working Groups

- 7.4.8.1 The Committee may establish informal working groups to assist with the delivery of its objectives. These groups are non-decision making groups of Members of the Committee and officers.

- 7.4.8.2 The remit and terms of reference for any such subordinate body shall be approved by the committee.

7.5 Employment Committee

7.5.1 Governance

- 7.5.1.1 The Combined Authority has appointed an Employment Committee. The committee is an executive committee of the Combined Authority Board.

7.5.2 Terms of Reference

- 7.5.2.1 The functions of the Employment Committee are:

- 7.5.2.1.1 To make recommendations to Combined Authority Board on the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer and Chief Finance Officer ("the statutory officers").
- 7.5.2.1.2 To appoint chief officers.
- 7.5.2.1.3 To establish, as required, a Statutory Officer Investigatory Panel with authority to make recommendations to the Combined Authority as to the dismissal arising from disciplinary action [as defined at paragraph 2.2 below] of any of the statutory officers. The membership of this Panel shall be as set out in the Officer Employment Procedure Rules.
- 7.5.2.1.4 To take disciplinary action falling short of dismissal against the statutory officers and to suspend and keep under review any suspension of those statutory officers.
- 7.5.2.1.5 To take disciplinary action against Chief Officers in circumstances capable of resulting in the dismissal of those officers and to suspend and keep under review any suspension of those officers.
- 7.5.2.1.6 To determine appeals by Chief Officers against decisions made in relation to grievance proceedings.
- 7.5.2.1.7 To determine employment procedures for the officers of the Combined Authority, including dismissal procedures.
- 7.5.2.1.8 To determine local terms and conditions of employment for officers of the Combined Authority.
- 7.5.2.1.9 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 the Head of Paid Service [Chief Executive]

and Chief Officers.

7.5.2.1.10 To promote and pursue a policy of equal opportunities in employment.

7.5.2.1.11 To determine policies relating to local government pensions and discretionary compensation for early termination of employment. Upon the commencement of the Restriction of Public Sector Exit Payments Regulations to approve applications for waivers under the Regulations.

7.5.2.2 For the purposes of paragraph 7.5.2.1:

“Chief Officer” means:

(a) a person for whom the head of the authority's paid service (Chief Executive) is directly responsible;

(b) A person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the head of the authority's paid service (Chief Executive);

But a person whose duties are solely secretarial or clerical or are otherwise in the nature of support services shall not be regarded as a Chief Officer.

“Deputy Chief Officer” means:

“a person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to one or more of the statutory or non-statutory chief officers.”

But a person whose duties are solely secretarial or clerical or are otherwise in the nature of support services shall not be regarded as a Deputy Chief Officer.

“Disciplinary Action” means:

“any action occasioned by alleged misconduct which, if proved, would, according to the usual practice of the Combined Authority, be recorded on the member of staff's personal file, and includes any proposal for dismissal of a member of staff for any reason other than redundancy, permanent ill-health or infirmity of mind or body, but does not include failure to renew a contract of employment for a fixed term unless the Combined Authority has undertaken to renew

such a contract”

7.5.3 Membership

- 7.5.3.1 The Committee shall comprise eight members to include the Mayor or his/her nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.
- 7.5.3.2 The Combined Authority Board shall appoint the members of the Committee, and their substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the Committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to the Committee or the Sub-Committees.
- 7.5.3.3 The Procedure Rules of Executive Committee Meetings at Chapter 7: Boards and Committees of this Constitution shall apply to the proceedings of the Committee.

CHAPTER 8: FINANCIAL REGULATIONS

8.1 Introduction: Financial Regulations Background and Purpose

- 8.1.1 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.
- 8.1.2 These regulations shall be read in conjunction with the Assurance Framework, [Chapter 4 - Combined Authority Functions and Responsibilities](#) , [Chapter 3 - The Mayor of the Combined Authority](#), [Chapter 6 – Decision Making: Budget Framework Procedure Rules](#), [Chapter 9 – Procurement and Contract Procedure Rules](#), and the [Chapter 18 - Officer Scheme of Delegation](#).
- 8.1.3 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.
- 8.1.4 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.
- 8.1.5 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.
- 8.1.6 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.
- 8.1.7 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 discretion of the Chief Finance Officer and after consultation with the Head of Paid Service, be referred by them to the Combined Authority Board.
- 8.1.8 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.
- 8.1.9 The Combined Authority's financial transactions are governed by the Local Government Act 2003 and the Accounts and Audit Regulations 2015 as

amended.

8.1.10 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.

8.2 Chief Finance Officer's Duties

8.2.1 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 (which shall include the budget for the Office of the Mayor), 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 Mayor and 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.

8.2.2 The responsibilities of the Chief Finance Officer include:

- (a) Making arrangements for the proper administration of the financial affairs of the Office of the Mayor and the Combined Authority;
- (b) ensuring, in consultation with the Monitoring Officer, lawfulness and financial prudence;
- (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.

8.2.3 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.

8.2.4 Failure to comply with these regulations may constitute misconduct.

REMAINDER TO BE UPDATED APRIL 2023

CHAPTER 9: PROCUREMENT AND CONTRACT PROCEDURE RULES

9.1 Procurement Overview

9.1.1 Procurement Definition

- 9.1.1.1 Public Sector procurement is the process of acquiring goods, services and works for the delivery of an Authority's obligation to its residents and regional visitor. The process must be carried out within a specific legal framework and based on principles of equal treatment, transparency and non-discrimination such that for contracts over a specified value or specific social interest may be tendered for by any interested and appropriately qualified organisation. This is to ultimately achieve the optimal solution that also provides value for money across the whole-life of the process and contract.

9.1.2 Governing Legislation

- 9.1.2.1 The Local Government Act 1972 section 135 requires Public Bodies to have standing orders for how it enters into contracts. These Contract Procedure Rules ("Rules") set out how the Combined Authority will deliver against this obligation.
- 9.1.2.2 All Procurements for Contracts, by Combined Authority staff or members (including where managed by an external organisation or public body on the Authority's behalf), MUST comply with these Rules, the Combined Authority's Financial Regulations and all applicable and UK Legislation; specifically (but not limited to):
- a. The Local Government Act 1972
 - b. Public Contract Regulations 2015 (PCRs)
 - c. Concession Contracts Regulation 2016 (CCRs)
 - d. Equality Act 2010
 - e. Bribery Act 2010
 - f. Localism Act 2011
 - g. Social Value Act 2012
 - h. Modern Slavery Act 2015
 - i. General Data Protection Regulation 2016 (SI 2016\679)
 - j. Freedom of Information Act 2000
 - k. Transparency Code 2015
 - l. National Procurement Policy Statement 2021

- 9.1.2.3 Where there is a discrepancy between these rules and any procurement legislation, the procurement legislation is the dominant authority.
- 9.1.2.4 Where there is a conflict between the procurement legislation and any other relevant legislation as listed above (or otherwise identified during the process) the Monitoring Officer must be consulted immediately to carry out a legal, project risk assessment.
- 9.1.2.5 Central Government guidance (Procurement Policy Notes (PPNs)) should be considered for best practice but do not override these rules or legislation.
- 9.1.2.6 Government has issued a procurement policy note (05/21) requiring that contracting authorities familiarise themselves with the contents of the National Procurement Policy Statement. The Statement advises that contracting authorities should have regard to the following national priorities in their procurement where it is relevant to the subject matter of the contract, and it is proportionate to do so:
- creating new businesses, new jobs and new skills
 - tackling climate change and reducing waste, and
 - improving supplier diversity, innovation and resilience
- 9.1.2.7 The National Procurement Policy Statement affirms the requirement to comply with legal obligations including those in the UK-EU Trade and Cooperation Agreement, and these obligations include the binding commitment to fair and open competition which is assured by the Public Contracts Regulations.
- 9.1.2.8 The procurement policy note also advises that contracting authorities should consider whether they have the right policies and processes in place to manage the key stages of commercial delivery identified in this statement where they are relevant to their procurement portfolio. They should consider whether they have the right organisational capability and capacity with regard to the procurement skills and resources required to deliver value for money.
- 9.1.29 Non-compliance with any of these rules may constitute grounds for disciplinary action.

9.1.30 Application of the Rules

These rules govern

- 9.1.30.1 ALL purchases of works, goods and services (including consultancy requirements and equipment hire or lease through rental agreements) across the whole Combined Authority, regardless of value, as covered by Chapter 1 and 2 of the PCRs and not excluded by Regulation 10, PCRs.
- 9.1.30.2 The use of external frameworks and Dynamic Purchasing Systems.
- 9.1.30.3 Procurements under the Light Touch Regime Procurements, as covered by

Chapter 3 of the PCRs.

9.1.30.4 Below threshold procurements under Chapter 8 of the PCRs.

9.1.30.5 The procurement of Concession contracts as set out in the CCRs.

9.1.30.6 ALL collaborative procurements with other public bodies.

9.1.30.7 The Disposal of Assets or goods by the Combined Authority.

They DO NOT apply to:

9.1.30.8 Supply of works, goods and services by the Authority to another authority, subject to the agreement of the Procurement and Contracting Manager.

9.1.30.9 Purchases through local authorities, government bodies or public agencies, (eg police, health or other similar authorities) where the procurement rules of that organisation have been approved by the Procurement and Contracting Manager as complying with these Rules, or the contract is agreed in cooperation or partnership eg section 75 agreements.

9.1.30.10 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:

(a) achieve objectives which are common to both parties; and

(b) the arrangement is solely for the public interest; and

(c) the parties perform less than 20% of the services covered by the arrangement on the open market.

9.1.30.11 In-house awards (this is where the Combined Authority awards a contract to an entity it controls or controls jointly with other contracting authorities) as prescribed in regulation 12 PCRs. This exemption will only apply if all of the following conditions are met:

(a) The Combined Authority exercises a similar control or joint control with other contracting authorities on the entity as it does with its own departments;

(b) The entity carries out more than 80% of its activities for the controlling authorities;

(c) There is no private sector money in the entity.

9.1.30.12 Employment contracts.

9.1.30.13 Purchases made at public auction or of goods sold due to insolvency.

- 9.1.30.14 Land contracts (including leases, licences and transfers).
- 9.1.30.15 Grants of money, these cannot be contracts as there is no consideration and they are not services required to be delivered by the Authority.
- 9.1.30.16 Funding or financing arrangements.
- 9.1.30.17 Any other arrangements excluded by the PCRs.

9.1.31 Services Excluded under Regulation 10 PCRs

9.1.31.1 The services excluded under Regulation 10 PCRs:

- (a) Legal advice that may lead to or is in preparation for Judicial Proceeding, or representation at judicial proceedings;
- (b) Arbitration or conciliation;
- (c) the purchase or sale of any interest in land, (including leasehold interests);
- (d) Financial advice for the sale, purchase or transfer of sureties;
- (e) Audio-visual/radio broadcasts;
- (f) Arbitration/legal advice for either the preparation or representation in legal proceedings that may result in a court hearing;
- (g) Loans;
- (h) Employment contracts between an individual and the Combined Authority;
- (i) Public transport by rail or metro;
- (j) Political campaigns;
- (k) Civil Defence

9.1.31.2 Where there is any doubt as to whether the procurement is covered by these rules, officers are required to seek advice from the Procurement and Contracting Manager.

9.2 Procurement Objectives

9.2.1 The Combined Authority seeks to achieve more than just the practical element of the contract from the procurement process; as such, every contract must be let in consideration of the following objectives:

- (a) Regulatory Compliance (open markets and equal opportunity for all providers, fair & transparent process in accordance with the procurement principles in Regulation 18 PCRs);
- (b) Accountability;
- (c) Value for Money (proportionality, efficiency and economy);
- (d) Efficient Procurement Process;
- (e) Support of Horizontal Policies such as implementing social, environmental and industrial commitments, at a proportionate level, in accordance with the Combined Authority's Policies and Procurement Guidance Document.

9.2.2. Excluding item 1 – the level of priority of each of the other objectives is to be set by the Combined Authority, as detailed in this document.

9.2.3 Roles and Responsibilities

9.2.3.1 The following lists detail the various procurement activities and where the responsibilities for each sit.

Procurement and Contracting Manager (directly or through delegation)

- (a) Responsibility for the Rules, guidance documents and procurement templates.
- (b) Design, implementation and management of a Procurement Gateway Process.
- (c) Provision of Procurement Advice and assistance on all expenditure, including route to market and contract choice.

- (d) Overview and management of any frameworks and corporate contracts.
- (e) Oversee all exemptions to the PCRs and these rules.
- (f) Organising and running market engagement events.
- (g) Provision of advice on commercial structure and evaluation methodology.
- (h) Appointment of external legal support for complex procurements.
- (i) Management of the e-tendering portal.
- (j) Tender Moderation.
- (k) Signing off All Regulation 84 Tender Reports for process compliance.
- (l) All formal Procurement correspondence.
- (m) Collating/populating all Contract Documents and ensuring signature
- (n) Oversee contract monitoring and all contract variations.
- (o) Attendance at bi-annual contract management meetings.
- (p) Management and monitoring the Contract Register.
- (q) Forward Planning of cyclical requirements.

Chief Finance Officer (directly or through delegation)

- (a) Development and implementation of the Financial Regulations.
- (b) Approving budgets for procurement of contracts.
- (c) Signing of All Regulation 84 Tender Reports for budgetary compliance.

Monitoring Officer (directly or through delegation)

- (a) General advice as required.

- (b) Lawfulness and governance of complex procurement decisions taken.
- (c) Provision of any legal document requirements and support managing external legal services.
- (d) Signing of All Regulation 84 Tender Reports for governance compliance.
- (e) Approval of all contract documents before signature.
- (f) Approval of all waivers to these rules.
- (g) Approval of any contracts awarded under Regulation 32.

Directors

- (a) Project approval and authority to proceed.
- (b) Signing of All Regulation 84 Tender Reports for Award Approval.

Contract Managers

- (a) To following the instructions of the Procurement and Contracting Manager and Monitoring Officer.
- (b) Development of Project Initiation Documents and Gateway reports.
- (c) Confirmation of Project Budget & Authorisation to Procure.
- (d) Creation of Contract Specification and Contract Management requirements.
- (e) Managing any technical enquiries during a procurement process.
- (f) Evaluation of tender returns.
- (g) Complete the tender report.
- (h) Manage the delivery of the contract in accordance with the specification, tender return and the contract management processes included in the contract.

All Officers Must:

- (a) Comply with the Combined Authority's Financial Regulations.
- (b) Declare any gifts or hospitality received either before, during or after the procurement to the Head of Procurement.
- (c) Not disclose any confidential information to unauthorised persons.
- (d) Conduct the procurement process in a fair, open and transparent manner.
- (e) Ensure the process delivers value for money.

9.2.4 Use of Consultants

9.2.4.1 Where the Combined Authority requires the technical input of industry experts/ consultants to either resource and/or manage a procurement or inform a specification, or deliver a particular process; officers are required to ensure the following is applied:

- (a) The service is for a discrete (or multiple discrete) pieces of work and/or is not backfilling a Combined Authority post.
- (b) The consultants are procured in accordance with these Rules.
- (c) The Consultant is experienced in and fully understands all Public Procurement Legislations and agrees to be bound by them.

There is a clear specification of requirements and responsibilities set out in their appointment, including adherence to these rules and that this is documented in the form of contract used.

9.2.5 Procurement Process Planning

9.2.5.1 As part of the initial procurement planning process, officers are required to consider the impact of legislation, financial and time constraints along with any of project specific requirements.

1. Category of Spend

9.2.5.2 The procurement process to be applied is firstly determined by the category of

spend and then the contract value, such that before beginning the process this needs to be ascertained.

9.2.5.3 The categories of spend are

- (a) Goods (supplies or products);
- (b) Services (labour, consultants or technical resources);
- (c) Works (Construction Projects);
- (d) Light Touch Regime Services (Hospitality/ Catering, Education/ Training, Security, Legal Services);
- (e) Concession Contracts (contracts where the supplier's revenue is through the exploitation of an asset e.g. running a café owned by the authority);
- (f) Regulation 32 PCRs (Non-competitive Direct Awards);
- (g) Regulation 10 PCRs Excluded Contracts;
- (h) Regulation 14 PCRs Research & Development.

9.3 Contract Value Estimation

9.3.1 The estimated value of a contract is based on either; the money to be paid by the Authority to the successful tenderer (Regulation 6 PCRs) or the value to the market (Regulation 8 CCRs) of the contract.

9.3.2 A contract value should be calculated as follows:

- (a) A lump sum contract – this is a one-off, capital project, only used by one project/team where the contract value is the total budget available (including any contingency).
- (b) A periodic contract – this is where there is an annual, regular, potentially on-going requirement, by the authority – the contract value is the potential annual spend (across the whole Authority) multiplied by the number of years the contract is to run (including any extensions).
- (c) A concession contract – this is a term contract over a number of years whereby the revenue is paid based on usage levels, and usually by the service users, without any guarantee of full recompense or profit.

9.3.3. The value of any contract is the TOTAL maximum, potential or reasonably foreseeable spend over the whole duration of the contract (including extensions) for a given requirement.

9.3.4 The Authority MUST NOT disaggregate or sub-divide like or similar requirements for the purpose of avoiding the procurement from being regulated. (Regulation 5, PCRs or Regulation 7, CCRs). Procurements below these thresholds are still subject to delivering value for money but the nature of the procurement process may be defined by the authority and needs to be proportionate to the value, effort and market interest in consideration to the nature of the purchase.

(a) See Schedule 1 for current thresholds across all relevant legislations

9.4 Partnership Arrangements

9.4.1 The authority has entered into a number of arrangements with partner authorities for the purchase of various back office services; officers are required to liaise with procurement before commencing an external procurement to ensure that those arrangements are not breached or cause relationship problems across the authority's partners.

9.5 Procurement Gateway Process

9.5.1 The Procurement and Contracting Manager in consultation with the Monitoring Officer, shall publish and oversee a gateway process that reviews and approves the approach to procurement and ensures that these rules, legislation and best practice are adhered to along with monitoring the delivery of value for money and social obligations. This process to be monitored by an officer board based on value and/ or complexity. The details of the Procurement Gateway Process will be maintained on the Combined Authority internal website.

Pre- Procurement Contract Approvals

9.5.2 Where the procurement is not required to be monitored under the gateway process the project officer must still provide evidence to the Procurement and Contracting Manager that they have the necessary director, committee or board approvals to procure and subsequently award a contract based on specified value.

9.5.3 The Project Officer must also liaise with the Governance team to ascertain if the procurement is a Key decision and based on this, place the contract on the Forward

Plan in accordance with the Authority's Constitution.

9.6 Procurement Timescales

9.6.1 Officers should allow the following minimum timescales for each of the identified routes:

- (a) Single quote - approximately two weeks
- (b) Three quotes - approximately six weeks
- (c) Below FTS threshold tender - approximately 10 weeks
- (d) Above FTS threshold tenders - OPEN procedure – approximately 14 weeks
- (e) Negotiated Procurement - at least 26 weeks

9.7 Application of Non-Procurement Legislation

9.7.1 Officers are required to consider whether the procurement process and decisions are affected by other relevant legislation. A list of the more obvious ones to be considered and their impact on procurement are available in the procurement guidance documents and will need to have been considered as part of the Gateway process to ensure a holistic approach is adopted and transparently procured.

9.8 Conflicts of Interest (Regulation 24 PCRs)

9.8.1 The Public Procurement Legislations are designed to prevent corrupt practices and the application of any preferential treatment or discrimination of any suppliers. As such the following rules apply:

All members, officers, contract managers or organisations procuring on behalf of the Combined Authority must avoid any potential conflict between their own (or family/ friends) interests and the interests of the Combined Authority as detailed in the Combined Authority's Code of Conduct.

9.8.2 Where an interest (financial or personal) is identified this must be reported to the Procurement & Contracting Manager such that any identified risks can be minimized. Where such a conflict is identified and cannot be suitably mitigated to the Procurement & Contracting Manager's satisfaction, that person may not participate in the procurement or evaluation process.

9.9 Separation of Duties

9.9.1 A procurement, contract, purchase order or waiver cannot be raised and approved by the same person.

9.9.2 Where a contract manager completes the practical element of a procurement process, a procurement form or makes another recommendation, the award must be agreed by a Director.

9.10 Risk Assessment

9.10.1 Officers are required to complete a risk assessment for approval by finance and legal on all procurements that are deemed high risk based on the following

- (a) Is of political or public interest;
- (b) Is over FTS threshold;
- (c) Is being awarded under Regulation 32 PCRs; or
- (d) Is being varied/extended under Regulation 72 PCRs;
- (e) Includes the setting up of a Special Purpose Vehicle;
- (f) Includes a lease arrangement, advance payment or holding funds on behalf of another entity;
- (g) Is for a duration over five years;
- (h) Includes design liability, intellectual property rights or a requirement for collateral warranties.

9.10.2 Officers should use the Combined Authority's standard templates and ensure they are added to the corporate risk register before the procurement commences and then monitored throughout the process and life of the contract.

9.11 Bonds and Parent Company Guarantees

9.11.1 The requirement for a bond or parent company guarantee (and its value) is at the discretion of the relevant Director.

9.11.2 An optional requirement for a Bond or Parent Company Guarantee should be included as part of all procurements over £250k such that it creates both; a means to assess the financial stability of a tenderer and an option to mitigate any identified performance risks of the preferred supplier. Evidence of the bond's availability (even if not required) should be obtained before award.

- 9.11.3 Where the project or a contractor is deemed as a high risk for failure (likelihood and/or impacts), advice should be sought from Procurement, Finance and Governance in deciding if the provision of the bond is required.
- 9.11.4 Where a bond or parent company guarantee is deemed necessary – this should be in a form acceptable to the Combined Authority and in consideration of the form of contract being used.

9.12 Routes to Market

- 9.12.1 The route to market is selected based on a number of considerations as set out below.

Where possible, **Officers are recommended to consider whether to use either an existing framework (or one procured by a partner authority) so as to minimise procurement costs and process time.**

Where the value is below FTS threshold or it has been agreed with procurement that the requirement is non-standard, or a framework may not deliver the optimal solution, be that because the supplier base is unsuitable or too limited, framework rates do not offer value for money or the requirement requires an ability to negotiate, then alternative routes should be considered in conjunction with procurement and legal or through the 'gateway' process.

These processes available are as set out below.

9.13 Process Types

- 9.13.1 Procurements can be split into two categories; regulated and non-regulated.

Non-Regulated (below FTS Threshold) Procurements

- 9.13.1.1 These can, in addition to using the regulated routes, be used based on value:

Direct Award – a single supplier quote from a local/SME supplier who is selected based on previous knowledge, a recommendation or a local supplier list (where one exists).

Quotes Process – between three and five suppliers are selected to provide a quote detailing how they will deliver a project and the costs. Suppliers to be selected based on being local/ SMEs with either previous knowledge, on a recommendation or from a local supplier list (where one exists).

Regulated (above FTS Threshold) Procurements

OPEN Tender (Regulation 27 PCRs) – DEFAULT ROUTE - single stage, advertised process. This route is for standard purchases where the requirements are clear – it does **not** include any scope for negotiation of any of the element of the tendered information. All compliant submissions must be evaluated.

RESTRICTED Process (Regulation 28 PCRs) – two stages, advertised process. This route is for standard purchases where the requirements are clear – it does **not** include any scope for negotiation of any of the element of the tendered information. Suppliers are shortlisted to tender following an initial supplier qualification process. This route is most suited to extensive markets to ensure proportionality of process and cost.

COMPETITIVE PROCESS with NEGOTIATION (Regulation 29 PCRs) – multi-stage, advertised process. Includes the ability to negotiate on predefined elements. Suppliers are shortlisted to tender following a supplier qualification process, and then following each round of negotiations based on the predefined scoring criteria. This is used where the desired outcome of the procurement is known but how it is to be achieved is less clear.

COMPETITIVE DIALOGUE (Regulation 30 PCRs) – multi-stage, Advertised process. Includes the ability to discuss and define any unknown requirements. Suppliers are shortlisted to tender following a supplier qualification process, and then following each round of dialogue based on the predefined scoring criteria. This is used where the desired outcome of the procurement is unclear as is how it is to be achieved.

INNOVATIVE PARTNERSHIP (Regulation 31 PCRs) – multi-stage this is used where you want to purchase something that isn't already available in the market and needs to be created. The procurement process is based on a set of minimum requirements and desirable outcomes – the process can only be used with the approval of Procurement.

FRAMEWORK (Regulation 33 PCRs) – This can be procured through any on the procedures in this list and is an arrangement with one or more suppliers to provide the requirements on an as required basis with no fixed commitment. The Framework has a maximum duration of four years and subsequent awards can be made either by a direct award based on the framework prices or through further competition and evaluation – depending what has been specified in the Framework Agreement. Contracts awarded under the framework can run past the framework end date where set up to

facilitate this.

DYNAMIC PURCHASING SYSTEM (DPS) (Regulation 34 PCRs) - this is an approved list, on to which suppliers can be added at pre agreed intervals. Suppliers are added based the completion of the first stage of a RESTRICTED procedure and their demonstration of technical ability and previous experience. All subsequent awards must be through further competition and price/ quality evaluation.

FURTHER COMPETITION (from an existing framework) – this is where you are inviting the suppliers already on a compliantly procured framework or DPS to submit a qualitative proposal and price for your specific requirements. (where this is from a framework the prices/rates are capped at the framework prices.

BESPOKE COMPETITIVE PROCESS – this can only be used under the Light Touch Regime and will be defined and managed by procurement. **(Regulation 76, PCR or Regulation 36 CCR).**

DESIGN COMPETITION (Regulation 80 PCRs) - These are for the design of unique construction projects.

NEGOTIATED PROCEDURE WITHOUT ADVERTISEMENT – (Regulation 32 PCRs) – this route can only be used in exceptional circumstances and must be agreed by Procurement and the Monitoring Officer and documented on a waiver. Potential for use include: lack of competition, urgency or exclusive rights.

9.14 Below FTS Threshold Requirements

9.14.1 The procurement process is to be selected based on its category and its value, this is to ensure that the process is proportionate, transparent and can demonstrate value for money in consideration of the project requirements and other constraints such as urgency or protected rights.

Goods and Services Contracts

- (a) Single quote up to £9,999
- (b) Three quotes between £10,000 and £49,999 (RFQ process)
- (c) Advertise on Contracts Finder between £50,000 and the FTS threshold (Tender Process)

Recruitment Consultant Appointments

- (a) Single quote up to £24,999
- (b) Three quotes between £25,000 and £99,999 (RFQ process)

- (c) Advertise on Contracts Finder between £100,000 and threshold (Tender Process)

Works and Concession Contracts

- (a) Single quote up to £49,999
- (b) Three quotes between £50,000 and £499,999 (RFQ process)
- (c) Advertise on Contracts Finder between £500,000 and above FTS threshold (Tender Process)

Light Touch Regime (including training and legal requirements)

- (a) Single quote up to £49,999
- (b) Three quotes between £50,000 and £199,999 (RFQ process)
- (c) Advertise on Contracts Finder between £200,000 and above FTS threshold (Tender Process)

Quotes Process

- 9.14.2 Where requests for quotations are made, these should be from local suppliers where possible and where permissible under the law, either from a known local list or identified through the e-tendering portal of registered suppliers. Where none are known, the opportunity may be advertised at the officer's discretion.

Contracts Finder (Tender Process)

- 9.14.3 Where an opportunity is to be advertised based on the above, or is published in any other way (eg on the e-tendering portal, through an industry magazine or some form of social media) it must also be advertised on Contracts Finder. Any advertised, below FTS threshold procurement, must follow that of a single stage/open tender with no option for shortlisting.

Waivers

- 9.14.4 Where a below FTS threshold contract, based on value, requires a competitive process and there is an urgency, protected right, technical expertise or other reason that is accepted by the Monitoring Officer and Chief Finance Officer as delivering best value to the authority, a waiver may be used to enable the officer to seek a single quote and carry out a direct award to that organisation. This process is set out in the procurement guidance documents.

9.15 Above FTS Threshold Requirements

- 9.15.1 All Above FTS threshold procurements must be advertised (unless procured under Regulation 32 PCRs) on the e-tendering portal, Contracts Finder and Find A

Tender Service (FTS).

9.15.2 The choice of which route to market should apply depends on the likely number of interested participants, the contract requirements and complexity and the need to negotiate, in accordance with Regulation 26. Further information is available in the procurement guidance documents and above at 9.13.1

9.16 Use of Frameworks

9.16.1 Where the decision is to utilise an existing Framework for the appointment of consultants or routine requirements, the choice of methodology should be based on the rules of the framework and compliance with PCRs

9.17 Advertisement (Regulations 48, 49, 52 and 106 PCRs)

9.17.1 Where a direct award/ or quotes process is not permitted by these rules or by exception under either these rules or the Regulations; and where the award is not via an approved framework, the procurement opportunity must be advertised as follow:

- (a) Contracts Finder (**Regulations 52 & 106 PCRs**) - where specified in this document or where they are regulated under any of the public procurement legislations
- (b) FTS – where they are regulated/ value exceed the values as set out in Schedule 1
- (c) Authority e-tendering portal – where an advert is placed under one of the above requirements it must also be advertised on the e-tendering portal
- (d) Additional adverts – where the opportunity is advertised, officers may also place adverts on the Authority website, trade publications or social media.

9.18 Market Engagement (Regulation 40 PCRs)

9.18.1 Where an advertised process is to be used, and before commencing a process, it is essential to understand the market make up and possible supply options, specifically

- (a) Is the Market a Monopoly or is it saturated?
- (b) Is the requirement able to be delivered by a single supplier or does it require sub-contracting?

(c) Can the contract requirements be met by local SMEs?

(d) Is the contract suitable for a consortia solution?

9.18.2 All engagement must be overseen by Procurement and participants should be invited through an advertisement on the e-tendering portal and carried out in a transparent manner (eg supplier days) that treats all possible procurement participants equally and without discrimination such that the activity is artificially restricts or impairs competition.

9.19 Procurement Processes

All procurements are to be issued using either the authority's standard templates or the templates provided by the framework's owner as applicable.

Additional information on the following processes and documents is available within the procurement templates, policy documents and through the procurement guidance documents.

9.20 Direct Award

9.20.1 This option does not require officers to create a set of tender documents; instead, they should discuss their requirements with the selected organisation and these should then be written up, priced and submitted by that organisation to the authority for approval. Once agreed, they should then be attached to the authority's standard Purchase order or Service terms and conditions and awarded as set out below.

9.21 Request for Quotation (RFQ)

9.21.1 This option uses a single procurement document to set out the contract and specification requirements along with how the submission will be qualitatively and financially assessed. This to be requested from the three selected companies. The submissions should be evaluated in accordance with this document and then a contract concluded with the successful organisation using the terms and conditions attached to the RFQ in accordance with the award process below.

9.22 Advertised Tender

9.22.1 The documents needed for an advertised procurement will depend on the contract value and the selected route to market; the tender pack will include some or all of the following:

9.23 Due Diligence Document

9.23.1 Where a tender is unregulated and thus an SSQ is not used, the due diligence (financial and company status) checks must be used to ensure that the successful tenderer is commercially capable and stable to deliver the contract.

(a) Standard Selection Questionnaire (SSQ)

9.23.2 This document is to be used for above FTS threshold tenders and has three parts; Parts 1 and 2 are set down by central government and cannot be amended. Part 3 can be populated with the qualitative requirements of the project and used as a mechanism to shortlist in a multi staged process (Regulations 57, 58 and 65 PCRs).

(b) Invitation to Tender (ITT) (or ITN or ITN Final) (Regulation 54 PCRs)

9.23.3 This document sets out the details of the procurement process and the process requirements along with the rules that interested (or shortlisted) tenderers must follow to ensure that their bid is compliant. Further guidance and adaptation of the standard template should be sought from procurement.

(c) Specification (Regulation 42 PCRs)

9.23.4 This document must clearly and concisely set out the Authority's specific contract requirements and depending on the whether these are input, output or outcome based, the details by which these may be deemed to be achieved or demonstrated.

9.23.5 When using an input specification, officers should ensure that they are suitably up to date with current technology and developments. Specifications should be based on performance or industry standards and only use a brand, model or part number where it is impossible to sufficiently define the requirement any other way. Where this is relied on the specification must state 'or equally approved'.

9.23.6 Where the technical expertise is absent or dated, an output or outcome specifications should be used to ensure that an up to date solution is achieved along with value for money.

9.23.7 Where social or other policies are to be considered, these must be clearly specified and where possible, hyperlinks to their location included in the procurement documents.

(d) Terms of Business/Contracts

9.23.8 The choice of contract shall be in a form approved by the Legal team and will be based on the nature of the spend and the project complexity along with the route to market, officers must engage with the Legal team at the concept of the procurement to enable sufficient time for consideration and drafting.

9.23.9 Where the selected procurement process does not allow for negotiations, officers are advised to ensure that the requirements identified to Legal are not prohibitive or anti-competitive such that they may limit competition and the ability to achieve a successful, value for money outcome.

(e) Tender Submission Document

9.23.10 ALL Tenders MUST be evaluated using the principle of Most Economically Advantageous Tender (MEAT).

(f) Quality Requirements – Method Statements (Regulation 67 PCRs)

9.23.11 Officers are recommended to use a split of 60% price and 40% quality. Where this is not felt to be the best means by which to select the most suitable supplier, this may be adjusted to an 80:20 split in either direction following a discussion with Procurement.

9.23.12 Method Statement Questions should be drafted to elicit responses that supplement the specification and in consideration that the responses become part of the contract and performance requirements.

9.23.13 The weighting (importance) of each method statement question must be clearly set out as must the requirements of the scoring criteria.

9.23.14 The questions, as a minimum should seek to understand the skills of the delivery team, the timescales for delivery, any quality or health and safety considerations and how the contract can be used to support the local economy, protect the environment or deliver other social benefits.

(g) Pricing Requirements

9.23.15 The tender documents must set out how the price should be calculated and evaluated. This could be a lump sum or a schedule of requirements/ bill of quantities. Where a schedule is used and exact quantities are unknown the document must include details of estimated quantities (unless part of the submission is for them to quantify a resource) to ensure that the evaluation is fair and transparent. Where a schedule of pricing is used, officers may weight particular elements if they are more significant to the success and delivery of the project; where this is required officers must liaise with procurement and finance to ensure the pricing model is fair and representative of the contract requirements.

(h) Form of Tender

9.23.16 Along with the method statement and pricing submission, tenderers are required to confirm that they have no conflicts of interest with the authority and that they

have not colluded or otherwise engaged in unethical or illegal practices in order to collate their submission.

9.24 Use of/Reliance on Subcontractors (Regulations 63 and 71 PCRs)

- 9.24.1 The authority must allow a tenderer to rely on subcontractors for economic or technical capacity, experience or professional qualifications unless the task that they seek to subcontract is deemed a critical task; specifically where this would dilute accountability or the performance management of essential elements of the contract.
- 9.24.2 The authority, when setting out its procurement requirements, may stipulate that where subcontracting is relied on that the tenderers sets out the share of the contract to be subcontracted and where they are to be relied upon, may insist that all such subcontractors complete an SSQ or the authority's Due Diligence document (where applicable) to enable the authority to assess their suitability to deliver an Authority contract.

9.25 Tender Communications (Regulations 22 and 51 PCRs)

- 9.25 All procurement processes (except for direct awards) must be managed electronically through the authority's e-tendering portal. All notices, tender documentation and awards must be published through the portal and all communications (Q&A) must be published openly unless deemed commercially sensitive.

(i) Evaluation Process and Clarifications (Regulation 56 PCRs)

Due Diligence

- 9.26 These checks should be completed before the price and quality evaluation process as they assess the financial stability of a tenderer. Where a concern is identified this should be referred to finance and legal for consideration and a decision made as to whether they should be disqualified to protect the successful performance of the contract.

Standard Selection Questionnaires (Regulations 57 and 58 PCRs)

- 9.27 Where this is provided in a single stage process this should be assessed before the qualitative or pricing submission. Any concerns identified should be clarified with the tenderer before deciding if they should be disqualified.
- 9.28 Where this document is used to shortlist in a two or multi-stage process the Part 1 & 2 elements should be assessed first and any concerns identified should be clarified with the tenderer before evaluating part 3 and shortlisting

Quality Submissions

9.29 These must be evaluated by at least three, suitably skilled individuals using the predefined criteria and the specification.

9.30 Evaluators must make notes as to the rationale for each individual score and provide question specific feedback to be used in the moderation process and ultimately shared with the unsuccessful tenderer.

9.31 Where the information is unclear or incomplete a clarification process must be carried out.

Pricing Submissions

9.32 This must be carried out separately to the quality evaluation, in accordance with the process set out in the tender documentation and must be verified by the relevant member of the finance team to validate its accuracy.

9.33 Where the pricing is incomplete or excessively low, a clarification process must be completed with the support of procurement.

Post-tender Clarifications

9.34 Submitted information may be clarified or explained but not amended or supplemented.

(j) Missing Information

9.35 Where information is missing, this may be confirmed to the tenderer but may not be supplied by them. Where this has an impact on the total price, tenderers must either honour the total price submitted or withdraw.

(k) Price Calculation Errors

9.36 Where an arithmetical error is identified and can be corrected without the need to seek clarity or additional information, this should be done and advised to the tenderer for agreement. Where this has an impact of increasing the total price, tenderers must either honour the initial total price submitted or withdraw their offer.

(l) Abnormally Low Pricing (Regulation 69 PCRs)

9.37 Where a tenderer's price is significantly lower than anticipated by the authority or in comparison with other tenders received; the authority must seek clarity from the tenderer on how they have priced the tender at this level and demonstrate that it is commercially viable and sustainable. Where such assurances are either not provided or not plausible then the authority should disqualify the submission.

(m) Post-tender Negotiations

9.38 Post Tender Negotiations shall not be used to degrade the original tender requirements or price unless:

- (a) ALL the received tenders came in over budget
- (b) Other special circumstances

9.39 In these circumstances, all tenderers that have submitted a tender shall be given the opportunity to resubmit against a revised or reduced specification.

9.40 All other negotiations shall only be undertaken in accordance with Law and in agreement with Procurement and Legal.

(n) Moderation

9.41 Following the individual scoring of the quality method statement responses, the evaluation panel, overseen by procurement, must meet and agree a common score for each question along with an agreed justification for the scores and question specific feedback for the tenderer.

(o) AWARD Process

9.42 Where a formal gateway process has been used to commence and decide on the procurement process, a further review should be completed before the decision to award. In all case, the following stages must be completed.

9.43 Tender Report (Regulation 84 PCRs)

9.43.1 All advertised tenders must, before award, have a completed tender report approved by procurement, legal and finance before any notifications are sent or contracts collated.

9.44 Notifications (Regulations 55 & 86 PCRs) & Standstill (Regulation 87 PCRs)

9.44.1 All notification or outcome letters must be approved by procurement and signed by the Procurement and Contracting Manager.

9.44.2 All tenderers (successful and unsuccessful) must be notified, in writing, of the outcome of the evaluation process at the same time. Unsuccessful tenderers must be provided with feedback which details the relative advantages of the successful tenderer.

9.44.3 Where the procurement is regulated (and even on below FTS threshold processes where advised by procurement) the authority must issue and apply a standstill period with the award letters not being issued until after this period has expired.

9.45 Supplier De-briefing

9.45.1 Following the notification of the procurement outcome, unsuccessful tenderers may request feedback in addition to that provided in the letters; this must be agreed and supported by procurement to ensure that only allowed information is shared and that it is done so in a non-discriminatory manner.

9.46 Letters of Intent

9.46.1 Letters of intent give the contractor the authority to proceed prior to the execution and dating of contract; however, they should only be used where there is a genuine need and genuine benefit to the Authority, such as to:

- (a) facilitating the ordering of goods where there are long lead times;
- (b) enable design work to commence immediately where not doing so would have an adverse effect on the overall project deadlines and planning requirements;
- (c) facilitate TUPE requirement.

9.46.2 All letters that fall under the points above must be agreed with legal and signed by the relevant Director. Where a letter of intent is required for any other reason it must be agreed by the Monitoring Officer.

9.46.3 Where a letter of intent is issued it must specify its intent and include a maximum liability, which cannot exceed £100,000 unless otherwise agreed by the Monitoring Officer.

9.47 Contract Award

9.47.1 All tender processes must be concluded by way of a duly signed or executed document.

9.47.2 Contracts MUST not be awarded until all checks have been completed and evidence of any qualifications and certificates provided.

9.47.3 The award must be as per the specification issued and the tender received (including any clarifications) and not a conditional or counteroffer.

9.48 Contract Approval

9.48.1 Contracts must be executed by signature or as a deed as follows, following consultation and approval from the Chief Finance Officer and Monitoring Officer:

Goods & Service

- (a) Up to £25k – Responsible Officer

- (b) Up to £100k – Finance
- (c) Up to £250k – Project Director
- (d) Up to £500k – Monitoring Officer, Chief Finance Officer, Chief Executive

9.48.2 All works contract to be executed as a deed to ensure a 12-year latent defect period is applied.

9.48.3 Copies of all executed contracts must be provided to the Procurement and Contracting Manager for inclusion in the contracts register

9.49 Contract Award Notices (Regulation 50 PCRs)

9.49.1 Award Notices must be published in accordance with the following decisions.

- (a) Where a new Framework or Contract is let and it is over the FTS threshold – in FTS and on Contracts Finder.
- (b) Where the procurement is via a mini competition from a framework and is over £30k – on Contracts Finder
- (c) Where the contract value is over £30,000 but under the FTS threshold – on Contracts Finder.

Contract Register & Transparency Code

9.49.2 All contracts over £5,000 must be published on the Authority's contract register, this to include a scanned copy of the completed contract and any waiver/ decision or process approval documentation.

9.50 Document Retention

9.50.1 All documents issued and received via the e-tendering portal will be stored indefinitely on the portal.

9.50.2 Any other information not held on the portal will be in accordance with the Authority's retention policy.

(p) Contract Management

9.51 The Authority is committed to ensuring that in addition to procuring its contracts compliantly, effectively, economically and in consideration of the community it serves; that they will be appropriately performance managed to ensure the intention and

benefits promised are delivered and within the contracted value.

9.52 Contract Performance Management

9.52.1 The Contract owner must ensure that performance management meetings are held at appropriate intervals and that these meetings and any decisions made are properly documented and formally recorded such that they can be relied on.

9.53 Supplier Payment Generally

9.53.1 As a responsible authority, payments against contracts should be managed efficiently and without detriment to the suppliers and at most, within 30 days on receipt of the invoice in accordance with government guidance

(q) Construction Contracts

9.54 Payments on construction contracts must comply with the form of contract used and where practical, should comply with the Construction Supply Chain Partner as far as reasonable possible to do so.

(r) Late Payments

9.55 Where payments are late, suppliers are entitled to claim statutory late payment interest unless otherwise documented in the contract.

9.56 Contract Review

9.56.1 Where a formal gateway process has been used in the initial decision making and subsequent award decision, a further review should be carried out to consider contract performance against the initial advertised requirements and budget and to monitor ongoing compliance with these rules and legislation.

9.57 Performance Failures

9.57.1 Where a Performance failure is identified the following must be applied:

- (a) Legal are consulted as to permissible measures under the contract.
- (b) Management meetings are held more frequently with the interval being based on the severity of the failure.
- (c) A remedial plan is agreed and signed.

- (d) Revised, intermediate performance targets are set out and monitored to ensure improvement and performance failure resolution within the agreed timescales.

9.57.2 Where the above measures do not deliver the required improvements within the required timescales, legal should be consulted to escalate the remedial requirements or initiate the termination of the contract.

9.58 Contract Termination for Performance

9.58.1 Where performance failure under the contract cannot be remedied or where there has been a case of insolvency or other organisation failure, the officer should seek advice from legal and agreement by the Monitoring officer to terminate the contract.

9.59 Contract Variations/Extensions (Regulation 72 PCRs)

9.59.1 A Contract should only be extended or varied in accordance with any options specifically included in the original procurement documentation.

9.59.2 Where no such provision exists; a contract can only be extended or varied with the agreement of the Director and/or Monitoring Officer (depending on value) and documented through the approval of a waiver, as follows:

- (a) The additional requirement is still in scope of the original specification and does not equate to a new requirement or something that is materially different to that advertised such that it requires a new process.
- (b) The extension or variation does not present an unacceptable risk to the authority eg had the changes been known, others would have participated in the opportunity or a better price could have been achieved.
- (c) The additional requirement does not take it over the FTS threshold when it was procured using a below FTS process.
- (d) The additional value does not exceed more than 10% if goods & services or 15% if works of the original, advertised value (This can be approved by the Director subject to available funds).
- (e) The additional value of any extension or variation is not a material change, the need was unforeseeable, there is a proprietary right or there is urgency and the change does not exceed more than 50% of the original, advertised

value (Monitoring Officer).

9.59.3 The application of any extension or variation

- (a) must be in the Authority's best interest;
- (b) must demonstrate value for money;
- (c) cannot be until after a new Due Diligence Check has been completed.

9.59.4 Once approved, Legal must be engaged to provide the necessary legal documentation to record the variation or extension and then the signed version of this and the waiver must be added to the contract register.

9.60 Lessons Learned

9.60.1 At the close of the contract, the gateway process must be concluded with a lessons learned exercise and this information should be shared to ensure ongoing process improvements and best practice.

(s) Other Procurement Considerations

9.61 Procurement on Behalf of Partner Authorities

9.61.1 Where the authority is required under its own powers or at the request of a partner authority to procure on its behalf, those procurements must comply with legislation, these rules and the other authority's rules.

9.61.2 Where there is a conflict between these rules and the other authority's rules then the following apply:

- (a) Financial, procurement or other approvals to procure or award must be the those of the authority for which the contract is let
- (b) Contract signatory requirements to be those of the authority signing the contract
- (c) Procurement Process to be followed will be these in compliance with the relevant legislation

9.62 Purchase Cards

9.62.1 The authority operates a purchase card facility; these are available, with the approval of Finance.

9.62.2 Purchase cards are to be used for low value or one-off incidental spend where it

is not efficient to carry out a competitive process. Purchase cards **MUST NOT** be used to bypass corporate contracts or these rules without the express permission of Procurement and the appropriate Director.

9.62.3 The principle of disaggregation applies to spend on purchase cards both in relation to the individual and the Authority as a whole.

9.63 Grants (Law)

9.63.1 Where a grant is issued, it must be awarded in accordance with the authority's process for advertising, selecting, awarding and monitoring grants.

9.63.2 All grants over £25,000 **MUST** be executed as a Deed.

9.64 Community Right of Challenge

9.64.1 Section 81 of the Localism Act 2011 permits relevant bodies (charities, community bodies, town and parish Authority Services and Staff) to submit Expressions of Interest to provide Authority Services. Corporate Services shall maintain and publish a timetable for the submission of interest. Any such expressions shall be forwarded to the Transformation Team.

9.65 Disposal of Goods and Assets (Authority Requirement)

9.65.1 Where the Authority has goods or assets that are no-longer required these are to be disposed of through a closed-bid auction process. The Authority has an eBay account for this purpose and any department wishing to use it needs to do so through the Procurement team.

9.66 Procurement Schedules

9.66.1 Please see schedule 1 for threshold by procurement category.

9.66.2 Please see Schedule 2 for a summary table of procurement rules by category and value.

(t) Waivers

9.67 Where an officer seeks to deviate from the requirements of this document a waiver must be completed and approved in accordance with the following rules:

1. Exemptions to the requirement to carry-out a quotes process

1.1. This must be drafted by the responsible officer and agreed by procurement and legal.

2. Exemptions to the requirement to advertise on Contracts Finder

2.1. This must be drafted by the responsible officer and be approved by

procurement, legal and Director with budget responsibility.

3. Exemptions to the requirement to carry out an advertised process

- 3.1. This must be drafted by the responsible officer and be approved by procurement, the relevant Director and the Monitoring Officer.

4. Requests to vary a contract in value or time

- 4.1. This must be drafted by the responsible officer and be approved by procurement, the relevant Director, the Chief Finance Officer and the Monitoring Officer.

5. Waiver Contract Documents

Once a waiver has been agreed, a formal contract or variation instruction completed and signed/executed. The completed documents must be added to the contract register.

9.68 Procurement Policy

- 9.68.1 Best practice dictates that organisations should have an overarching Procurement Policy in place to offer clear guidance to officers when procuring goods and services, whilst at the same time supporting the organisations' priorities and strategic themes; otherwise there is a risk that officers do not have guidelines to follow to ensure that the Combined Authority is not open to challenge because of its procurement activities.
- 9.68.2 The Combined Authority Procurement Policy at Chapter 19: Policies and Protocols, Appendix 10 offers clear guidance to ensure that procurements comply with both statutory requirements and the Combined Authority's own constitutional requirements.
- 9.68.3 The Policy ensures the Combined Authority is better placed to reduce the likelihood of subsequent challenges to non-compliant procurements.
- 9.68.4 Responsible procurement is defined as "the process whereby organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment". The Public Services (Social Value) Act 2012 provides the relevant legislative framework and requires local authorities to consider these wider benefits when procuring and entering into contracts. The Act applies to public services contracts and framework agreements to which the Public Contracts Regulations 2015 apply and aims to provide a tool to assist commissioners to get more value for money out of procurement.
- 9.68.5 Under the Public Services (Social Value) Act 2012, the CA must consider before starting the process of procurement of services how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area,

and how, in conducting the process of procurement, it might act with a view to securing that improvement.

- 9.68.6 This social value duty is balanced by obligations to ensure fair and open competition as set out in the Public Contracts Regulations 2015 which state, *inter alia*, that award criteria must be 'linked to the subject matter' of the contract in question and must be contract-specific and not aimed at assessing the business or corporate policies of the tenderer.
- 9.68.7 Contracting authorities are entitled to decide not to award a contract to the tenderer submitting the most economically advantageous tender where they have established that the tender does not comply with applicable obligations in the fields of environmental, social and labour law established by retained laws in the UK-EU Trade and Cooperation Agreement, national law, or collective agreements. The list of such obligations is prescribed and must be strictly construed. If the tenderer is not in breach of any of those obligations the contracting authority is bound to select its bid if it is the most economically advantageous tender.

CHAPTER 10: ACCESS TO INFORMATION, INFORMATION GOVERNANCE, DATA PROTECTION AND COMPLAINTS

Access to Information

10.1 Access to Information Procedure Rules

10.1.1 These rules are a summary of rights to attend meetings of the Authority its Boards, Committees and Sub-Committees, and of access to documents held by the Authority and the elected Mayor for the Cambridgeshire & Peterborough Combined Authority. The Authority will keep at its principal office a summary of various rights to attend meetings and to inspect documents in the Authority's and the Mayor's possession, conferred by the Local Government Act 1972 and by some other legislation.

10.2 Access to Meetings

- 10.2.1 A meeting of the Authority (including meetings of its Board, Committees and Sub-Committees) is open to the public, except as stated in the rules within this section (10.2) and 10.3 below.
- 10.2.2 The public must be excluded from a meeting during any item of business whenever it is likely that, if they were present, confidential information would be disclosed in breach of the obligation of confidence. Confidential information means information provided on a confidential basis by a Government department, and information the disclosure of which is prohibited by statute or by Court order.
- 10.2.3 The public may be excluded by resolution during an item of business whenever it is likely that there would be disclosure to them of 'exempt information'. Exempt information is defined to cover such matters as personal information, financial and business affairs of people or companies with whom the Authority has dealings, and of the Authority itself, action likely to lead to criminal proceedings, matters relating to industrial relations consultations and negotiations and matters relating to legal proceedings. A description of 'exempt information' is set out in Schedule 12A to the Local Government Act 1972, as amended.
- 10.2.4 Attendance does not provide an automatic or guaranteed right to speak at meetings.
- 10.2.5 Public meetings may be filmed or recorded in accordance with this Chapter 5: Standing Orders, paragraph 5.40.

10.3 Access to Agenda and Connected Papers

- 10.3.1 Copies of the agenda and reports for a meeting of the Authority or of any of its Boards, Committees or Sub-committees must be open for inspection by the public, except for any report on an item during the consideration of which the meeting is not likely to be open to the public. Documents must be available five clear days before the meeting, or as soon as the meeting is convened, or the item added to the agenda, if that is less than five clear days before the meeting. The agendas and reports will be published on the Authority's website.
- 10.3.2 The agendas and reports will be made available to members of the public present at a meeting; and will be made available, on request, to the media.

10.4 Inspection of Minutes

- 10.4.1 After a meeting and once the minutes have been signed, a copy of the minutes (or, if any of the meeting was held in private, a summary of what took place in private), together with the documents made available for public inspection by being published on the Authority's website.

10.5 Inspection of Background Papers

- 10.5.1 Members of the public may also inspect a list of background papers for any report (except those reports containing 'confidential' or 'exempt' information) and a copy of each of the documents included in that list. This right is available as soon as the report to which the list relates is published, and continues for four years from the date of the meeting. (In the case of the public right to inspect background papers, the right is subject to their production as soon as is reasonably practicable after the request is made). Background papers disclosing confidential or exempt information are not required to be listed, but, if they are listed, they will not be open to inspection.
- 10.5.2 Background papers are documents which relate to the subject matter of a report, disclose any fact or matter on which the report is based, and have been relied on to a material extent in preparing the report - but exclude any published work. Requests for inspection of such documents should be made to the Monitoring Officer who will arrange for the production of such documents as soon as reasonably practicable after the request. Where reasonably practicable, a link to the background papers will be published on the Authority's website.

10.6 Additional Access for Members of the Authority

10.6.1 Any document in the possession or under the control of the Mayor or the Authority which contains material relating to any business to be transacted at a meeting is open to inspection by a Member (subject to Rule xxx9.13 below) and must be available for inspection for at least five clear days before the meeting except:

- (a) where the meeting is convened at shorter notice, such a document must be available for inspection when the meeting is convened; and
- (b) where an item is added to the agenda at shorter notice, a document that would be required to be available in relation to that item, must be available for inspection when the item is added to the agenda

10.6.2 Where a document discloses certain specified categories of exempt information it need not be open to inspection by the Mayor or a Member. These categories relate mainly to personal information relating to crime or legal proceedings, or matters concerned with negotiations or industrial relations.

10.6.3 Where it appears to the proper Officer that compliance with Rules 9.10 or 9.13 below, in relation to a document or part of a document would involve the disclosure of advice provided by a political adviser or assistant that paragraph will not apply to that document or part.

10.7 Additional Rights of Access to Documents for Members of the Overview & Scrutiny Committee

10.7.1 Subject to Rule 10.7.3 below, a Member of the Overview & Scrutiny Committee of the Authority is entitled to a copy of any document which:

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

- (ii) any decision that has been made by the Mayor under the authority granted to him by statute, regulation, order, directive or the Authority;
- (iii) any decision that has been made by an officer of the authority for which he is responsible to the Mayor or the Authority.

10.7.2 Subject to Rule 10.7.3 below, where a member of an overview and scrutiny committee requests a document which falls within Rule 10.7.1 above, the Mayor and/or the Authority must provide that document as soon as reasonably practicable and in any case no later than 10 clear days after the request is received.

10.7.3 No Member of the Overview & Scrutiny Committee is entitled to a copy of any document or part of a document that contains exempt or confidential information unless the Monitoring Officer considers it is relevant to an action or decision that that member is reviewing or scrutinising or any review contained in any programme of work of a scrutiny committee or sub-committee which he is a member of; or which contains advice provided by a political adviser or assistant.

10.7.4 Where the Mayor or the Authority determines that a member of the Overview & Scrutiny Committee is not entitled to a copy of a document or part of any such document for a reason set out in Rule 10.7.3 above, it must provide the Overview & Scrutiny Committee with a written statement setting out its reasons for that decision.

10.8 Publication of Additional Information

10.8.1 The Authority must maintain a register stating the name of the Mayor, every Member and their appointing council or local enterprise partnership. The register is published on the website and is also open to inspection by the public at the offices of the Authority at 2nd Floor Pathfinder House, St. Mary's Street, Huntingdon, Cambridgeshire, PE29 3TN between the hours of 09:00 and 16:30 on working days.

10.8.2 The Authority will maintain a list specifying the powers delegated by it or by the Mayor to its Officers, and stating the title of the Officer by whom each of those powers is exercisable. The list is published on the website and also open to public inspection, but excludes delegations of less than six months' duration.

10.9 Financial Documents

10.9.1 The Mayor or a Member of the Authority has a right to inspect the Authority's

accounts.

- 10.9.2 Any local government elector for the district of a constituent Council or a non-constituent Council has the right to inspect an order for the payment of money made by the Authority, and the right to inspect the statement of accounts prepared by the Authority under the Accounts and Audit (England) Regulations 2015 (as amended).
- 10.9.3 At the audit of the Authority's accounts by the external auditor, any persons interested may inspect the accounts to be audited and all books, deeds, contracts, bills, vouchers and receipts relating to them except that no personal information about a member of the Authority's staff or any other identifiable person is required to be disclosed.

10.10 Documents Deposited with the Combined Authority

- 10.10.1 Documents may be required to be deposited with a proper officer of the Authority, either under an Act of Parliament or statutory instrument, or pursuant to the Standing Orders of either House of Parliament. A person interested in any such document may inspect it. Requests should be made to the Monitoring Officer.

10.11 Other Documents

- 10.11.1 Any report received from the Local Government Ombudsman under section 30 of the Local Government Act 1974 must normally be open to public inspection for a period of three weeks, but the Ombudsman may direct that a particular report shall not be publicly available.
- 10.11.2 Where a public inquiry is to be held into a compulsory purchase order made by the Authority, a statement of the Authority's case to the inquiry, together with copies of any documents it intends to submit to the inquiry, must be made available for inspection by any person on request.
- 10.11.3 The Local Government (Inspection of Documents) (Summary of Rights) Order 1986 lists many other statutory provisions under which documents are required to be available to the public.

10.12 Fees

- 10.12.1 No fee will be charged for providing the facility of inspecting background

papers.

10.12.2A person who is entitled to inspect a document may (unless copyright law forbids it) make copies of, or extracts from it, or require a photographic copy of, or extract from, the document. The Authority reserves the right to make a charge for providing copies of documents.

10.13 Meaning of Exempt Information

10.13.1 Exempt information means information falling within the following seven 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.

QUALIFICATIONS

Information relating to the financial or business affairs of any particular person is not exempt if it is required to be registered under:

- (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.

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.

10.14 Procedure Before Taking a Key Decision

10.14.1 Subject to Rule 6.3 (general exceptions) and Rule 6.4 (special urgency) a Key Decision may not be taken unless:

- (a) a notice (called here a Forward Plan) has been published in connection with the matter in question at the offices of the Authority and on its website;
- (b) where the decision is to be taken at a meeting of the Authority or one of its committees/sub-committees, notice of the meeting has been given in accordance with the rules regarding the notice for meetings.

10.14.2 Where a decision has been made by the Mayor, the Authority or an Officer and was not treated as being a Key Decision and a relevant overview and scrutiny committee is of the opinion that the decision should have been treated as a Key Decision, that overview and scrutiny committee may require the decision maker to submit a report to the authority within such reasonable period as the committee may specify.

10.14.3 A report under Rule 10.14.2 must include details of the decision and the reasons for the decision; the decision maker; and the reason the decision maker is of the opinion that the decision was not a Key Decision.

Information Governance

10.15 Why the Combined Authority collects information about individuals (or groups)

10.15.1 The Combined Authority collects and processes various categories of personal information at the start of, and for the duration of an individual (or groups) relationship with it. The Combined Authority will limit the collection and processing of information to what is necessary to achieve one or more legitimate purposes as identified below. The Combined Authority uses personal information for a limited number of purposes and always in line with its responsibilities, and where reasonable the wishes of the individual (or group), where there is a legal basis to use personal information and in relation to the rights of the individual (or group).

10.15.2 The Combined Authority processes personal information:

- For the purpose for which information was provided, for example services the Combined Authority has/is providing in relation to transport, public service reform, business and skills, and housing
- To enable the Combined Authority to communicate with the individual (or group) and for the provision of services therein
- To monitor the Combined Authority's performance in providing services; to gather statistical information to allow the Combined Authority to plan future provision of services; and to obtain opinion about our services
- To meet various legal requirements
- For the prevention and/or detection of crime
- To process financial transactions including grants and payments directly involving the Combined Authority or where it is acting on behalf of other government bodies
- For general processing where the individual (or group) has given consent for the Combined Authority to do so
- Where it is permitted under the Data Protection Act, for example, to comply with legal obligations, or for the Combined Authority to seek legal advice or undertake legal proceedings
- For marketing purposes to keep the individual (or group) updated on the latest news and services

10.16 Ways in which the Combined Authority collects information

Face-to-Face

10.16.1 The Combined Authority may keep a record of an individual (or groups) visit to it to assist in the delivery and improvement of the services that it provides. Any such records that include personal information will be kept securely.

Telephone calls

10.16.2 Ordinarily, the Combined Authority will inform an individual (or group) if it records or monitors any telephone calls made to it. The Combined Authority may do this to increase the security of an individual (or group) so that it has a record of a call taking place and/or for training and quality purposes.

Emails

10.16.3 If you email us, we may keep your email as record that you have made contact. This includes your email address. We will not include any personal or otherwise confidential information in any email we send to you unless it is sent securely or you have agreed to us contacting you with this information. We would also recommend that you keep the amount of personal or confidential information you send to us via email to a minimum.

Online

10.16.4 On the Combined Authority's website there will be links to other external websites which are provided for the information and convenience of visitors. The data protection policy (see Chapter 19 – Policies and Protocols: Appendix 10) applies solely to the Cambridgeshire and Peterborough Combined Authority. The Combined Authority is not responsible for the content of external websites. It is recommended that when visiting external websites time is taken to read the privacy notices provided by them.

10.17 What the Combined Authority does with the information from individuals (or groups)

10.17.1 When deciding what personal information to collect, use and hold, the Combined Authority is committed to making sure that it:

- Only collects, holds and uses personal information where it is necessary and fair to do so
- Keeps personal information secure and safe

- Securely disposes of any personal information when it is no longer required
- Is open with the individual (or group) on how it uses information and who it shares it with
- Adopts and maintains high standards in handling any personal information

10.17.2 The Combined Authority may disclose personal information to a third party, but only where this is required by law, where that third party needs that information to provide a service on behalf of the Authority, or where it is otherwise allowed under the Data Protection Act. The Combined Authority will strive to make sure that the third party has sufficiently robust systems and procedures in place to protect personal information

10.18 Who the Combined Authority may share information with

10.18.1 The Combined Authority will not share information outside of the Cambridgeshire and Peterborough Combined Authority except:

- (a) Where the Combined Authority has the permission of the individual (or group)
- (b) Where required for the service the Combined Authority is providing
- (c) Where the Combined Authority is required by law and by law enforcement agencies, judicial bodies, government, tax authorities or other regulatory bodies
- (d) With third parties, external partners, and agencies assisting the Combined Authority in delivering a service to the individual (or group)
- (e) With external partners to improve, and advance the service the Combined Authority provides to the individual (or group)

Data Protection

10.19.1 The Cambridgeshire and Peterborough Combined Authority is a controller for the purposes of the Data Protection Act 2018. The Authority collects, processes and stores a wide range of information, including personal information to deliver services efficiently. The Combined Authority is responsible for managing the information that it holds and recognises

this is important information to residents. The Combined Authority takes its responsibilities seriously and uses personal information fairly, correctly and safely in line with the UK's data protection laws.

10.19.2 The Combined Authority Data Protection Policy is set out in Chapter 19 – Policies, Procedures and Protocols, appendix 10.

Complaints

10.20.1 The Combined Authority is committed to providing high-quality services for all members of the public, businesses and organisations. The Combined Authority welcomes customers' views and uses them to improve services.

10.20.2 The Combined Authority has a two-stage policy:

Informal Complaint

10.20.3 The Combined Authority will always wish to deal with a complaint as quickly and efficiently as possible. Therefore, the Combined Authority will always try to deal with a complaint informally. Staff at the Combined Authority will do their absolute best to settle the complaint without the complainant needing to do anything else.

Formal Complaint

10.20.4 If the complainant has spoken to Combined Authority staff about their complaint but they have not been able to put things right, or they are not happy with the outcome, the next step is to make a formal complaint in writing to the Monitoring Officer.

10.20.5 The Complaints Policy describes how the Combined Authority deals with complaints and the role of the Local Government and Social Care Ombudsman. This can be found at Chapter 19 – Policies and Protocols, Appendix 11.

CHAPTER 11: EMPLOYMENT RULES AND REGULATIONS

11.1 Introduction

11.1.1 These rules set out how officers are appointed and dismissed and the role that Elected Members have in officer appointments and dismissals.

11.2 Definitions

11.2.1 For the purpose of these rules the definitions of “Chief Officer”, “Deputy Chief Officer”, and “Disciplinary Action” are as set out in Chapter 7: Boards and Committees of this Constitution relating to the Employment Committee.

11.3 Appointment of Head of Paid Service, Monitoring Officer, Section 73 Officer and Chief Officers

11.3.1 Where the Combined Authority proposes to appoint a Head of Paid Service (Chief Executive), Monitoring Officer, an officer with the responsibilities set out in Section 73(1) of the Local Government Act 1985 (Chief Finance Officer) or Chief Officer the Employment Committee will draw up a statement specifying:

- (a) the duties of the Officer concerned; and
- (b) any qualifications or qualities to be sought in the person to be appointed.

Where it is not proposed that the appointment be made exclusively from among the Combined Authority’s existing officers the Committee will make arrangements for:

- (c) 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
- (d) for a copy of the statement referred to above to be sent to any person on request

Where a post has been advertised in accordance with paragraph (c) above the Committee will:

- (e) interview all qualified applicants for the post or select a short list of

such qualified applicants and interview those included on the short list.

Where no qualified person has applied the Committee will:

- (f) make further arrangements for advertisement in accordance with paragraph (c) above.

- 11.3.2 The Combined Authority Board will approve the appointment of the Head of Paid Service (Chief Executive), the Monitoring Officer and the officer with the responsibilities set out in section 73(1) of the Local Government Act 1985 (Chief Finance Officer) (“the statutory officers”) following the recommendation of the Committee.
- 11.3.3 Appointments of Chief Officers will be made by the Committee.
- 11.3.4 All decisions on the appointment of Chief Officers, or decisions on recommendations to the Combined Authority Board on the appointment of statutory officers, made by the Committee 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.
- 11.3.5 Where it is necessary to appoint an interim Head of Paid Service [Chief Executive], Monitoring Officer, or Section 73 Officer [Chief Finance Officer] on an urgent basis that appointment shall be made by the Employment Committee.
- 11.3.6 When making decisions as to the appointment or dismissal of statutory officers and Chief Officers the Employment Committee shall include the Mayor or Deputy Mayor in their place.
- 11.3.7 The appointment of officers at or below Deputy Chief Officer level shall be the responsibility of the Chief Executive or of any officer nominated by them in relation to a particular appointment.

11.4 Avoiding Conflicts of Interest in the Appointment Process

- 11.4.1 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.
- 11.4.2 No candidate related to a Member or Officer as described above will be appointed as Head of Paid Service or as a Chief Officer without the agreement of the Mayor.
- 11.4.3 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.

- 11.4.4 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.
- 11.4.5 No Member of the Combined Authority shall seek support for any person for appointment with the Combined Authority. This shall 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.

11.5 Dismissals and Disciplinary Action

- 11.5.1 Only the Combined Authority Board may dismiss the Head of Paid Service (Chief Executive), the Section 73 Officer (Chief Finance Officer) or the Monitoring Officer ("the statutory officers") as a result of disciplinary action following the recommendations of the Statutory Officer Investigatory Panel.
- 11.5.2 A statutory officer may not be dismissed by the Combined Authority unless the relevant procedures set out in these Rules have been complied with.
- 11.5.3 The Statutory Officer Investigatory Panel shall have authority to take disciplinary action falling short of dismissal against the statutory officers and to suspend and keep under review any suspension of those statutory officers.
- 11.5.4 The Employment Committee will have authority to dismiss Chief Officers. Any Chief Officer so dismissed shall have a right of appeal to the Combined Authority Board in accordance with the Authority's Appeals Procedures.
- 11.5.5 The Mayor or the Deputy Mayor in their place shall be a member of the Statutory Officer Investigatory Panel which meets to consider a dismissal or recommendation for dismissal under paragraph 11.5.1 or 11.5.3.
- 11.5.6 Members will not be involved in the dismissal of any officer at or below Deputy Chief Officer level 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.

11.6 Avoiding Conflicts of Interest in Dismissals and Disciplinary Action

- 11.6.1 No member or substitute member who has sat as a member of the Statutory Officer Investigatory Committee or Employment Committee when a recommendation or decision has been made as to the dismissal or disciplining of an officer under Section 5 above shall sit as a member of the Combined Authority Board when it considers any such recommendation or an appeal by the officer

against any such decision.

11.7 Employee Code of Conduct

11.7.1 All officers are required to sign an agreement to be bound by the Employee Code of Conduct and all Chief Officers and Deputy Chief Officers are required to complete a register of interests form in accordance with the Code.

11.8 Officer Appointments to the Mayoral Office

11.8.1 Certain designated posts within the Mayoral office will be subject to the protocol at Chapter 19: Policies and Protocols, appendix 12. These posts are:

- (a) Chief of Staff
- (b) Mayoral Adviser, and
- (c) Senior Policy Adviser.

11.9 Politically Restricted Posts

11.9.1 Certain posts are “politically restricted” for the purposes of Part I of the Local Government and Housing Act 1989. The Protocol on Political Restriction at Chapter 19: Policies and Protocols, appendix 5 sets out the rules which apply to such posts.

CHAPTER 12: ALLOWANCES

THIS CHAPTER WILL BE PRODUCED BY APRIL 2023

CHAPTER 13: THE AUDIT & GOVERNANCE COMMITTEE

13.1 Governance

13.1.1 The Combined Authority has appointed an Audit and Governance Committee. The committee is a statutory, non-executive committee.

13.2 Functions

13.2.1 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.

13.3 Terms of Reference

13.3.1 The Audit and Governance Committee shall undertake the following for both the Combined Authority and the Business Board:

Accounts

13.3.2 Approve the annual statement of accounts.

Governance

13.3.3 Review corporate governance arrangements against the good governance framework.

13.3.4 Review the Annual Governance Statement prior to approval to ensure it

properly reflects the risk environment and supporting assurances.

13.3.5 Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships.

13.3.6 Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances.

13.3.7 Monitor the anti-fraud and whistle blowing policies and the complaint process.

Internal Audit

13.3.8 Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners.

13.3.9 Review internal audit requirements undertaken by the Combined Authority.

13.3.10 Approve the internal audit plan.

13.3.11 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

13.3.12 Review the annual accounts.

13.3.13 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

13.3.14 Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board.

- 13.3.15 Consider any issues arising from External Auditor's audit of the account.
- 13.3.16 Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice.
- 13.3.17 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

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

Subsidiary Companies of the Combined Authority

- 13.3.22 Assisting the Combined Authority in fulfilling its oversight responsibilities in relation to reviewing and monitoring activity of the trading companies.
- 13.3.23 Advising the Combined Authority Board on any matters within the Committee's powers pertaining to the trading companies.
- 13.3.24 Providing appropriate review and challenge of the Combined Authority's governance arrangements of its trading companies and its appointments to the boards of the companies.
- 13.3.25 Providing appropriate review and challenge on the financial information provided to the Combined Authority by the trading companies.
- 13.3.26 Commissioning, where appropriate, the Combined Authority's internal audit function to undertake discrete activity relating to the Authority's governance of its trading companies

General

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

13.4 Membership

- 13.4.1 The Combined Authority Board shall decide the size and membership of the

Audit and Governance Committee and shall include one Independent Person.

- 13.4.2 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.
- 13.4.3 The Committee may not include any Officer of the Combined Authority or of a constituent council.
- 13.4.4 The Combined Authority Board shall appoint at least one Substitute Member from each constituent council.
- 13.4.5 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.

13.5 Chair and Vice-Chair

- 13.5.1 The Combined Authority Board shall appoint the Chair.
- 13.5.2 The Independent Member should be designated as Chair of the Audit and Governance Committee.
- 13.5.3 The Vice-Chair of the Committee should be chosen by the Committee, at its first meeting each Civic Year.

13.6 Sub-Committees

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

13.7 Hearing Panel (Sub-Committee to the Audit & Governance Committee)

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

- (a) When matters are referred by the Monitoring Officer granting dispensations to Members and Co-opted Members allowing them to:

- (i) participate in the debate; and/or
 - (ii) vote on any matter in which they have a disclosable pecuniary interest;
- (b) On matters being referred by the Monitoring Officer deciding whether complaints concerning Members should be investigated;
- (c) Hearing complaints that have been referred to them by the Monitoring Officer pursuant to the Complaints procedure;
- (d) The agreement of relevant procedures for the undertaking of its functions, when appropriate to be included within the Constitution

13.8 Requests to Audit & Governance

13.8.1 The Mayor or the Combined Authority Board may resolve to ask the Committee to review any of its functions including:

- (a) The authority's financial affairs;
- (b) The authority's risk management, internal control and corporate governance arrangements;
- (c) the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.

13.9 Reference of Matters to Committees

13.9.1 Any of the following may request a matter to be included on the agenda of the Audit and Governance Committee provided it is relevant to the functions of the Combined Authority and not an excluded matter:

- (a) any Member of the Audit and Governance Committee;
- (b) any Member of the Combined Authority; and
- (c) any Member of a Constituent Council of the Combined Authority.

- 13.9.2 An “excluded matter” means any matter which is a local crime and disorder matter.
- 13.9.3 Any 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. The request must be submitted to the Monitoring Officer who will arrange for the Chair of the Committee to determine whether the item should be placed on the agenda of the next available meeting.
- 13.9.4 If the Committee decides not to exercise any of its powers in relation to the request it must notify the referring Member of its decision; and the reasons for it.
- 13.9.5 The Committee shall provide the Member with a copy of any report or recommendations which it makes in connection with the matter.

13.10 Procedure Rules: Access to Meetings

- 13.10.1 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 10: Access to Information, Information Governance, Data Protection and Complaints](#)

13.11 Procedure Rules: Meetings

- 13.11.1 The Committee will meet at least once a year.
- 13.11.2 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.

13.12 Procedure Rules: Quorum

- 13.12.1 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.

13.13 Procedure Rules: Voting

- 13.13.1 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.
- 13.13.2 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.

13.13.3 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. No deadlocked decisions of the Committee shall be referred to the Combined Authority Board.

13.14 Procedure Rules: Conflicts of Interest

13.14.1 Members must comply with the Member Code of Conduct.

13.14.2 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.

13.14.3 Such a Member may only attend the Committee to:

- (a) make representations;
- (b) answer questions; or
- (c) give evidence about the decision.

13.15 Appointment of Independent Person

13.15.1 The Committee must have at least one independent person. The appointment must be made by the Combined Authority Board.

13.15.2 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 five years been:

- (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.

13.16 Term of Office of the Independent Person

13.16.1 Each independent person will serve a term of four years, which may be renewed up to a maximum of one further term (ie total maximum eight years).

13.17 Appointments Process for the Independent Person

13.17.1 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.

13.17.2 The position of Independent Person shall be advertised on the Combined Authority's website, along with the website of each constituent authority.

13.18 Procedures at Meetings

13.18.1 The Combined Authority Standing Orders at Chapter 5 will apply.

Annex 1

The current membership of the Audit and Governance Committee is one member from each constituent council and one independent person (eight members). The quorum is six members.

CHAPTER 14: THE OVERVIEW & SCRUTINY COMMITTEE

14.1 Governance

14.1.1 The Combined Authority Board has appointed an Overview and Scrutiny Committee. The committee is a statutory, non-executive committee.

14.2 Functions

14.2.1 The Committee shall have the power to:

- (a) review or scrutinise decisions made, or other action taken, in connection with:
- (b) the discharge of any functions which are the responsibility of the Combined Authority;
- (c) the discharge by the Mayor of any general functions;
- (d) 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.
- (e) 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;
 - (iii) make reports or recommendations to the Mayor:
 - (iv) with respect to the discharge of any general functions;
 - (v) on matters that affect the authority's area or the inhabitants of the area.

14.2.1 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.

14.2.2 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.

14.3 Membership

14.3.1 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.

14.3.2 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.

14.3.3 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.

14.3.4 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.

14.3.5 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;

(b) identifies each Member of the Committee who has been appointed and any Substitute Members; and

(i) specifies the term of office of those appointed.

(c) 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:

- (i) they cease to be an elected Member of the Constituent Councils that appointed them;
- (ii) they no longer wish to participate in the scrutiny arrangements and communicate this in writing to the Proper Officer of their Constituent Councils;
or
- (iii) 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.

14.3.6 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.

14.4 Chair and Vice-Chair

14.4.1 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.

14.4.2 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.

14.4.3 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

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

14.5 Working Groups

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

14.6 Procedure Rules: Access to Meetings

- 14.6.1 The public may attend meetings and have access to agenda, reports and minutes in accordance with the Transparency rules in [Chapter 10: Access to Information, Information Governance, Data Protection and Complaints](#).

14.7 Procedure Rules: Meetings

- 14.7.1 The Committee shall meet at least once a year.
- 14.7.2 An extraordinary meeting of the Committee may be called by:

- (a) the Chair of the Committee; or
- (b) any five Members of the Committee; or
- (c) the Chief Executive of the Combined Authority.

14.8 Procedure Rules: Quorum

- 14.8.1 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.

14.9 Procedure Rules: Voting

- 14.9.1 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.
- 14.9.2 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. No deadlocked decisions of the Committee shall be referred to the Combined Authority Board.

14.9.3 In the sole instance of a tied vote on the matter of the election of a Chair the matter shall be resolved by a coin toss, conducted by an officer of the Combined Authority.

14.10 Procedure Rules: Conflicts of Interest

14.10.1 Members must comply with the Member Code of Conduct within this Constitution.

14.10.2 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.

14.10.3 Such a Member may only attend the Committee to:

- (a) make representations;
- (b) answer questions; or
- (c) give evidence about the decision.

14.11 Work Programme

14.11.1 The Committee will set its own work programme.

14.12 Requests to Overview & Scrutiny

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

14.13 Reference of Matters to Committees

14.13.1 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.

- 14.13.2 An “excluded matter” means any matter which is a local crime and disorder matter.
- 14.13.3 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.
- 14.13.4 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.
- 14.13.5 The Committee must provide the Member with a copy of any report or recommendations which it makes in connection with the matter.

14.14 Attendees

- 14.14.1 The Committee shall have the power to:
- (a) require Members (including the Mayor and Deputy Mayor), members of an executive committee 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;
 - (c) invite other people, including members of the public, to attend meetings of the Committee to give evidence.
- 14.14.2 Where the Committee requires a Member, Officer or others to attend, the Monitoring Officer shall inform them in writing giving at least five 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
- (c) whether they must produce any papers for the Committee.

14.14.3 A Member or Officer must comply with any notice they are given.

14.14.4 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.

14.14.5 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.

14.15 Publishing Reports or Recommendations

14.15.1 The Committee may publish any report or recommendations but:

- (a) must exclude any confidential information; and
- (b) may exclude any relevant exempt information.

14.15.2 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.

14.16 Notice

14.16.1 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.

14.16.2 The Combined Authority or the Mayor shall comply with any notice given.

14.17 Publishing a Response

14.17.1 In publishing the response, the Combined Authority or the Mayor:

- (a) must exclude any confidential information; and
- (b) may exclude any relevant exempt information.

14.17.2 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.

14.18 Publication of Decisions

14.18.1 The Monitoring Officer shall publish details of key decisions of the Mayor, the Combined Authority Board, an executive committee 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 working day following the day of the meeting at which the decision was made.

14.19 Call-in of Combined Authority and Mayoral Decisions

14.19.1 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.

14.19.2 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.

14.19.3 A decision on a matter dealt with under the urgency provisions set out in Chapter 6: Decisions may be implemented immediately.

14.19.4 Any other key decision of the Mayor, Combined Authority Board, executive committees 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.

14.19.5 If a key decision of an executive committee is called in by the Combined Authority Board, the call in arrangements for overview and scrutiny shall be suspended until the Board have met. In accordance with these rules the Board's decision will be published and any key decisions will be subject to call-in.

14.20 Process for Call-in of Combined Authority or Mayoral Decisions

14.20.1 Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board, an executive committee or an Officer for scrutiny by notifying the Monitoring Officer.

14.20.2 On receipt of a call-in request, the Monitoring Officer shall:

(a) notify the Mayor, Members of the Combined Authority, members of the executive committee or Officer of the call-in; and

(b) call a meeting of the Overview and Scrutiny Committee to scrutinise the decision.

14.21 Call-in: Scrutinising the Decision

14.21.1 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.

14.21.2 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, the executive committee or the Officer for reconsideration, setting out, in writing the nature of its concerns.

14.21.3 A decision which has been endorsed by the Committee may be implemented immediately.

14.21.4 Where a decision has been referred back, the Mayor, the Combined Authority Board, the executive committee 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.

14.21.5 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.

14.22 Call-in: Reconsidering the Decision

14.22.1 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.

14.22.2 The Mayor, Combined Authority, the executive committee or the Officer may confirm, amend or rescind the decision.

14.22.3 A decision which has been confirmed or amended may be implemented immediately.

14.23 Linking Sub-Regional Scrutiny with Local Scrutiny

14.23.1 Where a constituent council has scrutiny arrangements, 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.

14.24 Additional Rights of Access to Documents for Members of the Overview & Scrutiny Committee

14.24.1 Additional rights of access to documents for Members of the Overview and Scrutiny Committee are set out in [Chapter 10: Access to Information, Information Governance, Data Protection and Complaints.](#)

14.25 Scrutiny Officer

14.25.1 The Combined Authority shall appoint a "Scrutiny Officer" to

(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.

14.25.2 The Combined Authority may not designate as the Scrutiny Officer any Officer of a constituent council of the Combined Authority.

14.26 Questions by the Public

14.26.1 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 to the Overview and Scrutiny Committee, including at an Extraordinary Meeting. For Extraordinary Meetings, the question must relate to the item on the agenda.

14.26.2 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.

14.26.3 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.

14.27 Order of Questions

14.27.1 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.

14.28 Notice of Questions

14.28.1 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 address of the questioner.

14.29 Number of Questions

14.29.1 At any one meeting, no person may submit more than one question.

14.30 Scope of Questions

14.30.1 If the Monitoring Officer considers a question submitted:

- (a) does not relate to the Committee's role and responsibilities or related to an item that the committee is scrutinising;
- (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 a question that should more appropriately be addressed to another party such as the Combined Authority Board or the Mayor;

(d) is substantially the same as a question which has been put at a meeting of the Overview and Scrutiny Committee in the past year;

(e) requires the disclosure of confidential or exempt information.

14.30.2 The Monitoring Officer will inform the Chair who will then decide whether to reject the question, or if (c) applies, to refer it to the Board.

14.31 Record of Questions

14.31.1 The Monitoring Officer shall record the question and will immediately send a copy to the Chair and relevant shadow **lead member**. Rejected questions will be recorded including the reasons for rejection.

14.31.2 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.

14.32 Asking the Question at the Meeting

14.32.1 The Chair will invite the questioner to put the question to the Committee. Up to two minutes are allowed for putting the question. If a questioner who has submitted a written question is then unable to be present, they can ask for a written response. No debate will be allowed on the question or response.

14.33 Supplementary Questions

14.33.1 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 committee. A supplementary question must arise directly out of the original question or the reply. One minute is allowed for putting the supplementary question.

14.34 Answers

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

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 15: THE BUSINESS BOARD

TO BE UPDATED FOLLOWING THE REVIEW OF THE BUSINESS BOARD.

CHAPTER TO BE COMPLETED APRIL 2023

CHAPTER 16: MEMBERS

16.1 Principles of Public Life

16.1.1 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.

16.1.2 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.

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.

16.2 Member Code of Conduct and Protocols

16.2.1 The Member Code of Conduct forms Annex 1 to this Chapter.

16.2.2 The Protocol on Gifts and Hospitality forms Annex 2 in Chapter 19: Policies and Protocols.

16.2.3 The Protocol on Member Use of Resources and the Code of Recommended Practice on Local Authority Publicity forms Annex 1 in Chapter 19: Policies and Protocols.

16.3 Complaints Against Members of the Combined Authority

16.3.1 As 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.

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

- (a) You must act in a manner consistent with the 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.
- (b) 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.
- (c) 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.
- (d) When carrying out your public duties or Business Board duties you must make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, on evidence.

- (e) You are accountable for your decisions and you must co-operate fully with whatever scrutiny is appropriate to your office or position.
- (f) 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 should be prepared to give reasons for those decisions and actions.
- (g) 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 must take steps to resolve any conflicts arising in a way that protects the public interest. This includes registering and declaring interests in a manner conforming with the procedures set out in the section 'Registering and declaring pecuniary and non-pecuniary interests', see 16.4, below.
- (h) 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.
- (i) 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.

16.4 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 Officer of any disclosable pecuniary interest, 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, Co-opted Member or Business Board member, notify your authority's Monitoring Officer of any non-

pecuniary interest 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.

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'.

Following any disclosure of an interest not on the authority's register or the subject of pending notification, you must notify the Monitoring Officer 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. 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.

16.5 Interests

16.5.1 Disclosable Pecuniary Interests

16.5.1.1 Disclosable pecuniary interests are specified in the table below:

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

4.	Land	<p>Any beneficial interest in land which is within the area of combined authority.</p> <p>For Business Board Members only</p> <p>Any beneficial interest you or any organisation listed in 1 may have in land or property which is within the Business Board area which is likely to be affected by a decision made by the Business Board.</p>
5.	Licences	Any licence (alone or jointly with others) to occupy land in the Combined Authority's area (or Business Board's area for Business Board Members) for a month or longer.
6.	Corporate Tenancies	<p>Any tenancy where (to your knowledge):</p> <p>(a) the landlord is the Combined Authority or Business Board; 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>
7.	Securities	<p>Any beneficial interest in securities of an organisation under 1 where:</p> <p>(a) that body (to your knowledge) has a place of business or land in the Combined Authority's area (or Business Board's area for Business Board Members); and</p> <p>(b) either:</p> <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>

16.5.1.2 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.

16.5.2 Other Disclosable Interests

16.5.2.1 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.

16.5.2.2 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.

16.5.3 Registration of Disclosable Pecuniary Interests and Other Interests

16.5.3.1 Subject to paragraph 16.5.5 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) notify the Monitoring Officer in writing of any disclosable pecuniary interests and other interests you have at that time.

16.5.3.2 Subject to paragraph 16.5.5 (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 Officer in writing of that new pecuniary interest or change.

16.5.4 Disclosable Pecuniary Interests in Matters Considered at Meetings or by a Single Member

16.5.4.1 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 Officer of the interest before the end of 28 days beginning with the date of the disclosure;
- (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.

16.5.5 Sensitive Interests

16.5.5.1 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 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.

16.6 Related Documents

16.6.1 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.

16.6.2 The Audit and Governance Committee (see Chapter 13) Rules of Procedure set out the arrangements for dealing with an alleged breach of this Code.

16.7 Complaints against Members of the Combined Authority

16.7.1 Introduction

16.7.1.1 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.

16.7.1.2 The code sets out how members will conduct themselves when carrying out combined authority business. All members must adhere to the code.

16.7.2 Making a Complaint

16.7.2.1 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.

16.7.2.2 The complaint must set out:

- (i) who was involved;
- (ii) the alleged misconduct;
- (iii) when and where it occurred; and
- (iv) how the complainant wants the complaint resolved.

also

- (v) the name and a contact address or email address of the complainant.

16.7.2.3 The complainant should complete a complaint 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.

16.7.2.4 The Combined Authority does not normally investigate anonymous complaints, unless there is a clear public interest in doing so.

16.7.2.5 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.

16.7.2.6 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.

16.8 Stage 1: Initial Assessment of Complaint(s) Received

16.8.1 The Monitoring Officer will:

- 16.8.1.1 acknowledge the complaint within five working days of receiving it;
- 16.8.1.2 notify a member about any complaint against them;
- 16.8.1.3 undertake an initial assessment of the complaint to determine whether the complaint should be investigated.

16.8.2 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.

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

16.8.4 The Monitoring Officer may decide to consult the Independent Person.

16.8.5 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:

- 16.8.5.1 whether there is sufficient information upon which to base a decision;
- 16.8.5.2 how serious the alleged action is;
- 16.8.5.3 is the complaint politically motivated, vexatious or tit for tat?
- 16.8.5.4 has there been any delay between the action complained of and the complaint?
- 16.8.5.6 do the allegations relate to actions occurring whilst the subject member was acting in their official capacity?
- 16.8.5.7 the opinion of the elected member regarding the complaint.

16.8.6 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.

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

16.8.8 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.

16.8.9 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.

16.9 Stage 2: Informal Resolution

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

- 16.9.1.1 an **explanation** by the member of the circumstances surrounding the complaint;
- 16.9.1.2 an **apology** from the member;
- 16.9.1.3 an agreement from the member to attend relevant **training** or take part in a **mentoring** process;
- 16.9.1.4 an offer of **mediation or conciliation** between the member and the complainant; or
- 16.9.1.5 **any other action** capable of resolving the complaint.

16.10 Stage 3: Formal Investigation

16.10.1 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.

16.10.2 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.

16.10.3 The investigating officer would normally:

- 16.10.3.1 write to the member complained of;
- 16.10.3.2 provide them with a copy of the complaint;
- 16.10.3.3 ask the member to provide their explanation of events;
- 16.10.3.4 identify what documents they need to see; and
- 16.10.3.5 make a list of interviewees.

16.10.4 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.

16.10.5 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.

16.10.6 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 three months of a complaint being received.

16.10.7 The Monitoring Officer will, in consultation with the independent person, review the investigating officer's report.

16.10.8 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:

16.10.8.1 seek a local resolution; or

16.10.8.2 send the matter for local hearing before the Hearings Panel.

16.11 Local Resolution

16.11.1 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.

16.12 Local Hearing

16.12.1 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.

16.12.2 The Hearings Panel is a Sub-Committee of the Combined Authority's Audit and Governance Committee and will consist of at least three members of the Committee.

16.12.3 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.

16.12.4 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.

16.12.5 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.

16.12.6 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.

16.12.7 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.

16.13 Actions Hearing Panel can take for Failure to Comply with the Code

16.13.1 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 lead member 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.

16.13.2 The Hearings Panel has no power to suspend or disqualify the member or to withdraw members' allowances.

16.13.3 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.

16.13.4 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.

16.14 Independent Person

16.14.1 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.

16.14.2 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 –

- i. are, or have been within the past five years, a member, co-opted member or officer of the combined authority, constituent council or any parish council within the Combined Authority area;
- ii. are a relative or close friend, of a person within paragraph (a) above. For this purpose, "relative" means:

spouse or civil partner;

living with the other person as husband and wife or as if they were civil partners;

grandparent of the other person;
 a lineal descendent of a grandparent of the other person;
 a parent, sibling or child of a person within i or ii;
 a spouse or civil partner of a person within paragraphs iii, iv or v; or
 Living with a person within paragraphs iii, iv or v as husband and wife;
 1. or as if they were civil partners.

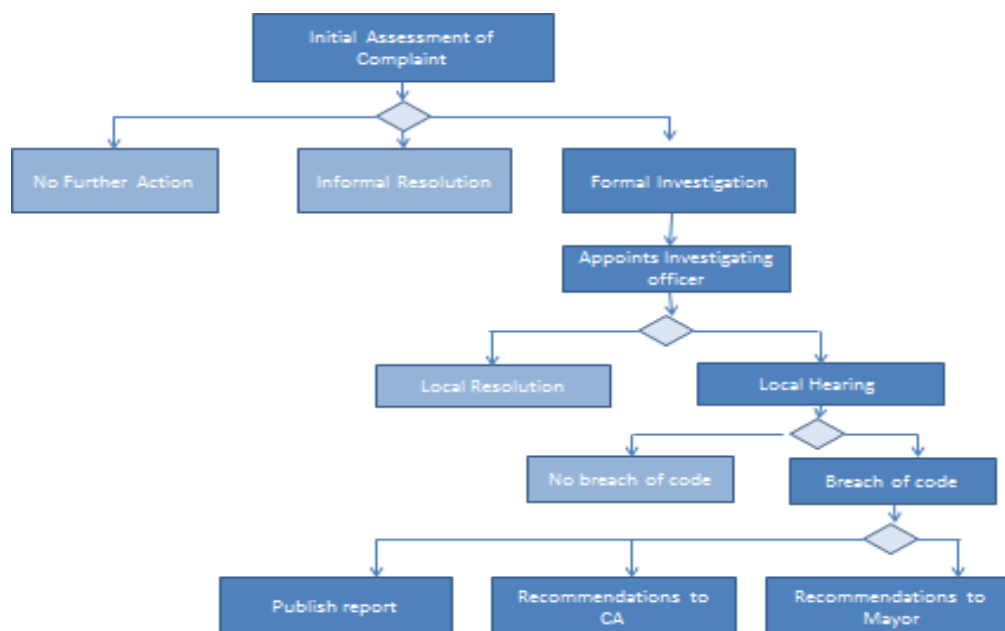
16.15 Revision of these Arrangements

16.15.1 The Combined Authority may, by resolution, agree to amend these arrangements, and has delegated to the Chair 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.

16.16 Appeals

16.16.1 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.

16.16.2 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.



Annex 1: Code of Conduct

Purpose

The purpose of this Code of Conduct is to assist members in modelling the behaviour that is expected of them, to provide a personal check and balance, and to set out the type of conduct against which appropriate action may be taken. It is also to protect yourself, the public, fellow members, Authority officers and the reputation of local government. It sets out the conduct expected of all members and a minimum set of obligations relating to conduct. The overarching aim is to create and maintain public confidence in the role of member and local government.

Application of the Code

The Code of Conduct applies to you when you are acting in your capacity as a member, co-opted member, member of the Business Board or representative of your Authority, although you are expected to uphold high standards of conduct and show leadership at all times. The Code applies to all forms of member communication and interaction, including written, verbal, non-verbal, electronic and via social media. Model conduct and expectations is for guidance only, whereas the specific obligations set out instances where action will be taken.

The Seven Principles of Public Life

Everyone in public office at all levels – ministers, civil servants, members, Authority officers – all who serve the public or deliver public services should uphold the seven principles of public life. This Code has been developed in line with these seven principles of public life, which are set out in appendix A.

Model Member Conduct

In accordance with the public trust placed in me, on all occasions I will:

- act with integrity and honesty
- act lawfully
- treat all persons with civility; and
- lead by example and act in a way that secures public confidence in the office of member

In undertaking my role, I will:

- impartially exercise my responsibilities in the interests of the local community

- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence; and
- ensure that public resources are used prudently and in the public interest

Specific Obligations of General Conduct

This section sets out the minimum requirements of member conduct. Guidance is included to help explain the reasons for the obligations and how they should be followed. These obligations must be observed in all situations where you act as a member, including representing your Authority on official business and when using social media

(b) As a member I commit to:

Civility

1. Treating other members and members of the public with civility.

2. Treating Authority employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.

Civility means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a member you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a civil manner. You should not subject individuals, groups of people or organisations to unreasonable or excessive personal attack.

In your contact with the public you should treat them courteously. Rude and offensive behaviour lowers the public's expectations and confidence in its elected representatives.

In return you have a right to expect courtesy from the public. If members of the public are being abusive, threatening or intimidatory you are entitled to close down any conversation in person or online, refer them to the Authority, any social media provider or if necessary, the police. This also applies to members, where action could then be taken under the Member Code of Conduct.

Bullying and Harassment

3. Not bullying or harassing any person.

Bullying may be characterised as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate,

denigrate or injure the recipient. The bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and not always be obvious or noticed by others.

The Equality Act 2010 defines harassment as '*unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual*'. The relevant protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation.

Impartiality of Officers of the Authority

4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the Authority.

Officers work for the Authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. Although you can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

Confidentiality and Access to Information

5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.

6. Not preventing anyone getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public except in certain circumstances. You should work on this basis but there will be times when it is required by law that discussions, documents and other information relating to or held by the Authority are treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

Disrepute

7. Not bringing my role or Authority into disrepute.

Behaviour that is considered dishonest and/or deceitful can bring your Authority into disrepute. As a member you have been entrusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on other members and/or your Authority.

Your Position

8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the Authority provides you with certain opportunities, responsibilities and privileges. However, you should not take advantage of these opportunities to further private interests.

Use of Authority Resources and Facilities

9. Not misusing Authority resources.

You may be provided with resources and facilities by the Authority to assist you in carrying out your duties as a member. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given to you to help you carry out your role as a member more effectively and not to benefit you personally. You should familiarise yourself with the Authority's Protocol on Member Use of Resources and the Code of Recommended Practice on Publicity.

Interests

10. Registering and declaring my interests.

You need to register your interests so that the public, Authority employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a document that can be consulted when (or before) an issue arises, and so allows others to know what interests you have, and whether they might give rise to a possible conflict of interest. The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise.

It is also important that the public know about any interest that might have to be declared by you or other members, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained. Discuss the registering and declaration of interests with your Monitoring Officer and more detail is set out in appendix B.

Gifts and Hospitality

11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the Authority or from persons who may apply to the Authority for any permission, licence or other significant advantage.

12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

You should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a member. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family, or gifts which you do not accept. However, you may wish to notify your monitoring officer of any significant gifts you are offered but refuse which you think may have been offered to influence you. You should familiarise yourself with the Authority's Protocol on Gifts and Hospitality.

Breaches of the Code of Conduct

Most members conduct themselves appropriately and in accordance with these standards. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations.

Section 27 of the Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by members and co-opted members of the authority. Each local authority must publish a code of conduct, and it must cover the registration of pecuniary interests, the role of an 'independent person', and sanctions to be imposed on any members who breach the Code.

The 2011 Act also requires local authorities to have mechanisms in place to investigate allegations that a member has not complied with the Code of Conduct, and arrangements under which decisions on allegation may be made.

Failure to comply with the requirements to register or declare disclosable pecuniary interests is a criminal offence. Taking part in a meeting or voting, when prevented from doing so by a conflict caused by disclosable pecuniary interests, is also a criminal offence.

Political parties may have its own internal standards and resolution procedures in addition to the Member Code of Conduct that members should be aware of.

Code Appendix A

The principles are :

Selflessness

Holders of public office should act solely in terms of the public interest.

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.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias. 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.

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

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. Honesty Holders of public office should be truthful.

Honesty

Holders of public office should be truthful.

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.

Code Appendix B

Registering interests

1. Within 28 days of this Code of Conduct being adopted by the Authority or your election or appointment to office (where that is later) you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) and Table 2 (Other Registerable Interests).
2. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest in Table 1 or 2, or of any change to a registered interest, notify the Monitoring Officer.

Declaring interests

3. Where a matter arises at a meeting which directly relates to an interest in Table 1, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
4. Where a matter arises at a meeting which directly relates to an interest in Table 2, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
5. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
6. Where a matter arises at a meeting which affects –
 - (a) your own financial interest or well-being;
 - (b) a financial interest or well-being of a friend, relative, close associate; or
 - (c) a body covered by table 1 belowyou must disclose the interest.

Where the matter affects the financial interest or well-being to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

(c) Table 1: Disclosable Pecuniary Interests

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the Authority) made to the member during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a member, or towards his/her 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>
Contracts	<p>Any contract made between the member or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the Authority —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged</p>

Land and Property	Any beneficial interest in land which is within the area of the Authority. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the member or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the Authority for a month or longer
Corporate Tenancies	Any tenancy where (to the member's knowledge)— (a) the landlord is the Authority; and (b) the tenant is a body that the member, or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the member's knowledge) has a place of business or land in the area of the Authority; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (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 member, or his/ her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

*'director' includes a member of the committee of management of an industrial and

provident society.

*'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society

(d) Table 2: Other Registerable Interests

Any Body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the Authority;

- Anybody -
- (a) exercising functions of a public nature;
 - (b) directed to charitable purposes; or
 - (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

CHAPTER 17: SUBSIDIARY COMPANIES AND SHAREHOLDER OVERSIGHT

17.1 Introduction

17.1.1 The Combined Authority currently has the following subsidiary companies registered with Companies House:

Angle Holdings Limited: Incorporated in September 2019, Angle Holdings was originally set up to be a holding company for all CPCA companies. It is, however, the holding company for Angle Developments (East) Limited only.

Angle Developments (East) Limited: A housing development company incorporated in September 2019 and owned in the main by Angle Holdings. It was incorporated with the intention of delivering affordable housing schemes and forming joint ventures with local developers in order to contribute to the housing element of the 2017 devolution deal for Cambridgeshire and Peterborough.

Cambridgeshire & Peterborough Business Growth Service Limited: Incorporated in August 2020 to act as a fund management and contracting vehicle to procure the private sector to deliver growth coaching, skills brokering and inward investment promotion. The company was also established to enable the management of an allocated amount of Local Growth Fund finance to be used as grant or equity investment in businesses in the area. The company has three major services reflecting the initial aims. These are:

The Business Growth Service: targeting places and companies that will have the most impact on our goal to shift to a more inclusive growth dynamic across sub-economies;

The Inward Investment Service: for a new all-economy foreign direct investment and capital investment promotion service for the promotion of employment space and employment property development opportunities to investors and companies from the UK and overseas; and,

The Skills Service: a digital and physical service connecting business with skills providers and talent, including targeted support to double the number of apprenticeships over five years.

One CAM Limited: Incorporated in September 2020 and established as a special purpose vehicle, as a necessary and best-practice step for delivering the infrastructure intended as part of the Cambridgeshire Automated Metro. This company was placed into dormancy, following its final Board meeting in December 2021, and will be formally struck-off the register at Companies House.

Peterborough HE Property Company Limited: Incorporated in June 2020 the *Propco1* is a special purpose vehicle to deliver the new University on the embankment site in Peterborough. The Propco1 is the SPV for phase 1 of the programme and comprises of the Combined Authority, Peterborough City Council and the academic delivery partner, Anglia Ruskin University.

Peterborough R&D Property Company Limited: Incorporated In November 2020 for the construction of a Research & Development building which will deliver an Advanced Manufacturing Innovation Eco-System for Peterborough. *Propco2* is a joint venture between the Combined Authority and Photocentric Limited.

links to Companies House website for each company

17.2 The Shareholder Board

- 17.2.1 The Combined Authority has appointed a Shareholder Board. It should meet at least once every municipal year.
- 17.2.2 The Shareholder Board operates within the terms agreed by the Combined Authority Board.

17.3 The Shareholder Board Terms of Reference

- 17.3.1 The Shareholder Board forms part of the overall governance arrangements for the Authority in relation to companies and other legal entities which are wholly or partly owned or controlled by the Authority (including where such control comes about indirectly, such as via a loan agreement) (each a "Subsidiary" and together the "Subsidiaries").
- 17.3.2 The Purpose of the Shareholder Board is to advise the mayor in the exercise of his/her responsibility for the authority's functions corporate shareholder of a company or group of companies and in their role to represent the interest of the Authority as Shareholder Representative at meetings of a company.

Membership and Arrangements

17.3.3 The members of the Shareholder Board will be set to the mayor and three members of the combined authority consisting of:

- One member of the Conservative party
- One member of the Labour party
- One member of the Liberal Democrat party
- At least one but no more than two co-opted members who will be independent persons providing relevant expertise and appointed on merit
- The Chair or representative of the Overview and Scrutiny committee to act in the capacity of an observer
- The Chair or representative of the Audit Governance committee to act in the capacity of an observer
- The Chair or representative of the Business Board to act in the capacity of an observer
- The Chief Executive Officer or their representative

17.3.4 Each Shareholder Board member may nominate a substitute to attend a meeting in their place.

17.3.5 The Shareholder Board will be supported by officers as advisors primarily consisting of:

- Chief Finance Officer or representative
- Chief Legal Officer or representative
- An officer with experience relevant to the business of the company
- Other officers as may be required or suitably experienced non-Executive Director

17.3.6 Board advisory officers may nominate an alternate officer to attend a meeting in their place.

17.3.7 The Shareholder Board will appoint the Mayor as Chair of the Shareholder Board and the shareholder representative of the authority. If the Chair is not present at the start of a meeting of the Shareholder Board, those members

present will appoint one of the members present to chair that meeting.

17.3.8 Additional advisors, who do not need to be officers or members of the Authority, may be invited to attend the Shareholder Board as required but will not have voting rights.

17.3.9 The Board will need to follow and have regard to the rules set out in the Constitution including the finance procedure rules.

Role of the Shareholder Board

17.3.10 The Shareholder Board will have a role in ensuring proper governance of the Authority's Subsidiaries, such role to include:

17.3.11 Monitoring performance and information from each Subsidiary, in particular on financial and other risks and escalating such risks within the Authority as appropriate.

17.3.12 Exercising decisions relating to the authority's role as shareholder, member, owner, lender, or other position of significant control over the Subsidiary, where those decisions have been delegated to the Shareholder Board.

17.3.13 Making reports and recommendations to the Combined Authority Board on areas outside of the Shareholder Board's delegated authority.

17.3.14 Agreeing and entering into a Shareholder Agreement with each of the Authority's Subsidiaries.

17.3.15 The necessary oversight, from a shareholder's perspective, that the parameters, policies, and boundaries, that the Authority has established are being adhered to including a regular review of whether the Subsidiary provides the most effective vehicle to deliver the outcomes it requires and whether there are viable alternative models which might offer a more effective means of delivering its priorities.

17.3.16 An articulation of what success looks like in terms of delivery models to meet objectives such as achieving social outcomes and/or a return on investment.

17.3.17 Agree a mechanism to communicate the shareholder's views to the Subsidiary by effecting systematic engagement between the Chair/CEO and shareholder role to assure effective performance against strategy and governance.

17.3.18 Provide a holistic review of risk to the authority offered by all active Subsidiaries.

17.3.19 Consider and advise on the duties and if any, the training needs of potential

Directors to allow them to competently assume this role.

- 17.3.20 Making representations to the Directors on the Business Plans of the Subsidiary Companies or other organisations set out in this report.
- 17.3.21 Receiving reports from the Directors where appropriate, on the progress and conduct of business in accordance with the approved Business Plan.
- 17.3.22 Reporting to the Board on the performance of the Subsidiary Companies.
- 17.3.23 Undertaking due diligence on the various Subsidiary Companies to ensure liabilities are known and accounted for within the authority.
- 17.3.24 Deciding whether a particular Subsidiary needs to be under the oversight of a specific service area.
- 17.3.25 In the case of forming a new Subsidiary, the Board will first scrutinise the business case for forming the Subsidiary to clarify the service components to be delivered, outcomes sought and options for how these may be delivered and undergo an effective comparison of alternative delivery models to ensure that the objectives, timescales, and drivers of forming the Subsidiary is the optimum approach and an advisory paper will be submitted to Board for a decision.
- 17.3.26 It is expected that each Subsidiary will enter into a form of agreement with the Authority (whether as owner, controller or lender) setting out the basis of the relationship between them (each a "Shareholder Agreement").
- 17.3.27 A detailed description of the Shareholder Board's role in relation to each Subsidiary will be set out in the relevant Shareholder Agreement.
- 17.3.28 Authority to make decisions on behalf of the Authority is delegated to the Shareholder Board for each Subsidiary as follows:
- 17.3.29 Oversight of any decisions that can only be made by the shareholder, (whether as "reserved matters" under the Shareholder Agreement and Articles of Association or pursuant to the relevant legislation applicable to that Subsidiary) such as:

- (a) approval of Shareholder Agreement with each Subsidiary.

- (b) approval of annual Business Plan and deviations from Business Plan.

- (c) approval of key appointments (including appointment, removal and

or replacement of Directors) and ensuring that the Authority appointments to the board of a Subsidiary comply with the Authority's constitution.

- (d) borrowing money, granting security and giving of guarantees
- (e) issuing Legal proceedings outside of ordinary business
- (f) altering in any respect the articles of association of a Subsidiary or any other governing document
- (g) altering the rights attached to any of the shares in a Subsidiary
- (h) approving the registration of any person as a shareholder or member of a Subsidiary
- (i) ensuring that subsidiaries or the subsidiaries interests are not competing against or conflicting with, other subsidiaries or their interests
- (j) entering contracts that have a material effect on business of the CA, are outside of the business plan or significant in relation to the size of the business and/or the business plan
- (k) establishing proper arrangements to manage potential conflicts of interest in respect of Officers and/or members appointed to the board of a Subsidiary
- (l) approval of pay and pension arrangements in respect of both key employees of the Subsidiary and CPCA Officers appointed to the board of a Subsidiary and ensure that decisions made to make termination payments are in line with the law and the Subsidiary's controlling documents
- (m) varying ownership and the amount of a Subsidiary's issued share capital and winding up of Subsidiary
- (n) altering the name of any Subsidiary

Decision-making

17.3.20 The Mayor or nominee of the mayor may make decisions concerning companies in which the Authority is or proposed to become shareholder either:

- (a) in a Combined Authority Board meeting, or
- (b) in a meeting of the Shareholder Board

Meetings

17.3.21 The Shareholder board shall meet on a basis agreed by itself, at least once a year and its meetings will be held in private.

17.3.22 The quorum shall be the Mayor, one member of the Combined Authority Board, one independent co-opted member and one officer of the Combined Authority.

Interactions

17.3.23 The Shareholder Board as it considers appropriate, may:

- (a) Report and make formal recommendations to the mayor directly or to the Combined Authority Board;
- (b) Make reports to and consult the Overview and Scrutiny Committee;
- (c) Make reports to and consult the Audit and Governance Committee.

CHAPTER 18: OFFICER SCHEMES OF DELEGATION

18.1 PART 1: Officer Scheme of Delegations

18.1.2 Introduction

18.1.2.1 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.

18.1.2.2 A Chief Officer in the context of this Constitution means

- Chief Executive of Combined Authority and Business Board, and Head of Paid Service,
- Chief Finance Officer, and
- the Monitoring Officer,
- Corporate Directors
- any other posts defined as Chief Officer in the Employment Procedure rules.

18.1.2.3 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.

18.1.2.4 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 [Chapter 9: Contract Procedure Rules](#), assurance framework, monitoring and evaluation framework, [Chapter 9: Contract Procedure Rules](#) and [Chapter 8: Financial Management Procedure Rules](#), and [Chapter 6: Decision Making](#);
- (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.

18.1.2.5 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.

18.1.2.6 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.

18.1.3 General Delegations to all Chief Officers

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

- (a) the day-to-day management, supervision and control of services provided on behalf of the Authority within the approved budget limits;
- (b) day to day management of staff in accordance agreed human resource policies and procedures;

- (c) acting on behalf of and in the name of the Combined Authority, where necessary in consultation with the Mayor, relevant **Lead Member** or Chief Executive and/or other appropriate Officers;
- (d) dealing with press enquiries and issuing press releases;
- (e) 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.

18.2 Contracts and Accounts

- 18.2.1 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.
- 18.2.2 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.
- 18.2.3 Contracts between £5,000 and £50,000: The Chief Officer can award a contract up to £50,000 in value.
- 18.2.4 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.
- 18.2.5 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.
- 18.2.6 Contracts above £500,000: Requires a Combined Authority Board decision or the Mayor for mayoral functions before award of the contract.
- 18.2.7 Contract rule exemptions: Granted entirely at the discretion of the Chief Finance Officer or Monitoring Officer.
- 18.2.8 Assigning and novating contracts: Needs approval of the relevant Chief Officer and the Monitoring Officer. If over £500,000 it will also need a Combined Authority Decision.
- 18.2.9 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.

18.3 Delegations to the Chief Executive

- 18.3.1 To exercise the functions of the Head of Paid Service as set out in Section 4 of the Local Government and Housing Act 1989.
- 18.3.2 To be responsible for the coordination of the Combined Authority's functions including mayoral functions.
- 18.3.3 To provide a comprehensive policy advice service and in particular to advise on the Combined Authority's plans and strategies.
- 18.3.4 To be responsible for the appointment, and grading, and dismissal of staff up to and including Deputy Chief Officer level.
- 18.3.5 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.
- 18.3.6 To authorise a Chief Officer to act in his/her absence on any matter within his/her authority.
- 18.3.7 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).
 - (c) To take any action which is required as a matter of urgency in consultation (where practicable) with the Mayor, the Monitoring Officer and the Chief Finance Officer, and in accordance with the Transparency Rules, Forward Plan and Key Decisions ([Chapter 6: Decision Making](#)).
 - (d) To provide any response to any Government consultation, subject to consultation with the Mayor of the Combined Authority and the relevant Lead Member.

- (e) 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 Lead Member as necessary.
- (f) 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.
- (g) 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:
 - i. consultation with the Monitoring Officer and the Chief Finance Officer; and
 - ii. reporting to the next meeting of the Combined Authority Board on the exercise of that power.
- (h) To take decisions up to £500k, subject to any decisions being reported to the next Board meeting of the Combined Authority.

18.4 Delegations to the Chief Finance Officer

- 18.4.1 The Chief Finance Officer shall be the designated the Proper Officer under section 73 of the Local Government Act 1985.
- 18.4.2 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.
- 18.4.3 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.
- 18.4.4 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.

- 18.4.5 To accept grant offers on behalf of the Combined Authority, subject to all the terms and conditions set out by the grant awarding body.
- 18.4.6 To submit all claims for grant to the UK Government or the European Community (EC).
- 18.4.7 To set up and operate such bank accounts as are considered appropriate and make all necessary banking arrangements on behalf of the Combined Authority.
- 18.4.8 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.
- 18.4.9 To send out all accounts for income due to the Combined Authority.
- 18.4.10 To authorise electronic payments.
- 18.4.11 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.
- 18.4.12 To supervise procedures for the invitation, receipt and acceptance of tenders.
- 18.4.13 To administer the scheme of Members' allowances.
- 18.4.14 To discharge the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2011.
- 18.4.15 To sign certificates under the Local Government (Contracts) Act 1997.
- 18.4.16 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.
- 18.4.17 To exercise the responsibilities assigned to the Chief Finance Officer in this Constitution, including Financial Regulations and the Contract Procedure Rules.
- 18.4.18 To incur expenditure, within the revenue budget, in accordance with the approved budget limits and Financial Regulations.
- 18.4.19 To incur expenditure on capital schemes, in accordance with the Capital Programme and Financial Regulations, provided that expenditure has been authorised in accordance with the Assurance Framework.
- 18.4.20 Approve applications to bid for external funding where there are no wider budgetary implications or the bid relates to a matter within the strategic framework.
- 18.4.21 To arrange internal audit in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance.
- 18.4.22 Internal Audit Officers on producing appropriate identification shall have authority to:

- (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.

18.5 Delegations to the Monitoring Officer

18.5.1 Under section 5 of the Local Government and Housing Act 1989, the Combined Authority shall appoint a Monitoring Officer.

18.5.2 To provide advice on the scope of powers and authority to take decisions.

18.5.3 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.

18.5.4 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.

18.5.5 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

- 18.5.6 To deal with matters of conduct and ethical standards in accordance with the requirements of the Localism Act 2011.
- 18.5.7 To support the Audit and Governance Committee in promoting high standards of conduct.
- 18.5.8 To receive complaints that any Member has failed to comply with the Code of Conduct for Members.
- 18.5.9 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.
- 18.5.10 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.
- 18.5.11 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.
- 18.5.12 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:
 - 18.5.13 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
 - 18.5.14 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
 - 18.5.15 granting the dispensation is in the interests of persons living in the Combined Authority's area; or
 - 18.5.16 it is otherwise appropriate to grant a dispensation.
- 18.5.17 To keep a register of gifts and hospitality in accordance with the Protocol on Gifts and Hospitality and to arrange for its publication on the Authority's website.

Legal Matters

- 18.5.18 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.
- 18.5.19 To settle, if appropriate, and in the interests of the Combined Authority, any actual or threatened legal proceedings.
- 18.5.20 To instruct Counsel and professional advisers, where appropriate.
- 18.5.21 To supervise the preparation of legal documents.
- 18.5.22 To execute documents whether by hand or under seal, and to authorise other Officers to execute documents whether by hand or under seal.
- 18.5.23 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.
- 18.5.24 To exercise the responsibilities assigned to the Monitoring Officer in this Constitution, including the Contract Procedure Rules.
- 18.5.25 To deal with and determine exemptions under Section 36 of the Freedom of Information Act 2000.
- 18.5.26 To accept on behalf of the Combined Authority the service of notices, orders and legal procedures.
- 18.5.27 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.
- 18.5.28 To agree the terms for placing an officer at the disposal of another local authority.
- 18.5.29 To be responsible for determinations in relation to and maintenance of the list of politically restricted posts.

18.6 PART 2: Schedules of Proper Officers

18.6.1 Introduction

- 18.6.1.1 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:

18.6.2 Head of Paid Service

- 18.6.2.1 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.

18.6.3 Chief Finance Officer

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

To take decisions up to £500k, subject to any decisions being reported to the next Board meeting of the Combined Authority.

Local Government Act 1972

Receipt of money due from Officers	Section 115 (2)
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Local Government Act 1985

Proper Administration of the financial affairs of the Combined Authority	Section 73
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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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18.6.4 Monitoring Officer

- 18.6.4.1 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)
Receipt of notices regarding address to which Summons to meetings of the Combined Authority is to be sent.	Schedule 12 para 4 (3)

18.6.5 General

- 18.6.5.1 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 19: POLICIES AND PROTOCOLS

19.1 Introduction

19.1.1 This Chapter provides, as a series of annexes, the policies and protocols of the Combined Authority, as follows:

- Annex 1: Protocol on Member Use of Resources and the Code of Recommended Practice on Local Authority Publicity
- Annex 2: Gifts and Hospitality Protocol
- Annex 3: Protocol on Member-Officer Relations
- Annex 4: Guidance for Members and Officers on Publicity During the Pre-election Period
- Annex 5: Politically Restricted Posts Protocol
- Annex 6: Social Media Protocol
- Annex 7: Webcasting of Meetings Procedure
- Annex 8: Monitoring Officer Protocol
- Annex 9: Procurement Policy
- Annex 10: Data Protection Policy
- Annex 11: Complaints Procedure
- Annex 12: Protocol on Appointments to the Office of the Mayor

Annex 1: Protocol on Member Use of Resources and the Code of Recommended Practice on Local Authority Publicity

(c) Introduction

- The Combined Authority provides resources to its elected members and to members of the Business Board in order to assist them in performing their duties. These resources include:
 - Office Premises
 - Stationery, postage, telephones, copying facilities
 - Administrative and Secretarial Support
 - Laptops
 - Email accounts
- The Combined Authority's Member Code of Conduct includes the following on use of the Authority's resources:

19 As a member I commit to:

9. Not misusing Authority resources.

You may be provided with resources and facilities by the Authority to assist you in carrying out your duties as a member. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given to you to help you carry out your role as a

member more effectively and not to benefit you personally. You should familiarise yourself with the Authority's Protocol on Member Use of Resources and the Code of Recommended Practice on Publicity.

Any breach of the requirements of this protocol will be deemed to be a breach of the Member code of Conduct. If any elected member wishes to have advice on the use of the Authority's resources they should contact the Authority's Monitoring Officer.

(d) Use of Information and Communications Technology

- All use of ICT by elected members is subject to the Authority's ICT policies which govern the use of laptops, the Authority's networks and mobile devices provided by the Authority. These policies also apply to the Authority's officers.

(e) The Code of Recommended Practice on Local Authority Publicity

- Section 2 of the Local Government Act 1986 states:

2.— Prohibition of political publicity.

(d) A local authority shall not publish [, or arrange for the publication of,] any material which, in whole or in part, appears to be designed to affect public support for a political party.

(e) In determining whether material falls within the prohibition regard shall be had to the content and style of the material, the time and other circumstances of publication and the likely effect on those to whom it is directed and, in particular, to the following matters—

- *whether the material refers to a political party or to persons identified with a political party or promotes or opposes a point of view on a question of political controversy which is identifiable as the view of one political party and not of another;*
- *where the material is part of a campaign, the effect which the campaign appears to be designed to achieve.*

(f) A local authority shall not give financial or other assistance to a person for the publication of material which the authority are prohibited by this section from publishing themselves.

This prohibition applies to all publicity produced by the Authority but is of particular importance during the period before elections.

- This prohibition applies to the Authority and the government has issued the Code of Recommended Practice on Local Authority Publicity under section 4 of the 1986 Act. Section 6 of the 1986 Act defines “publicity” as:

“any communication in whatever form, addressed to the public at large or a section of the public”

And the Code confirms that this will include paid advertising and leaflet campaigns, publication of free newspapers and newssheets and maintenance of websites – including the hosting of material which is created by third parties.

- The Code states that local authority publicity should:
 - be lawful
 - be cost effective
 - be objective
 - be even-handed
 - be appropriate
 - have regard to equality and diversity
 - be issued with care during periods of heightened sensitivity

The Code confirms that, except during periods of heightened sensitivity, it is acceptable for local authorities to publicise the work done by individual members of the authority, and to present the views of those individuals on local issues. However, publicity material produced by local authorities relating to a particular member must not seek to affect public support for that individual.

- The Code refers to periods of heightened sensitivity before elections and referendums and requires local authorities to pay particular regard to the legislation on publicity during such periods. The Code states:

During the period between the notice of an election and the election itself, local authorities should not publish any publicity on controversial issues or report views or proposals in such a way that identifies them with any individual members or groups of members. Publicity relating to individuals involved directly in the election should not be published by local authorities during this period unless expressly authorised by or under statute. It is permissible for local authorities to publish factual information which identifies the names, wards and parties of candidates at elections.

- It is, therefore, not permitted for members to use the Authority’s resources for political purposes such as promoting a particular candidate or political party in an election or a particular outcome in a referendum.

(f) Personal Use of the Authority’s Resources

- Personal use of ICT equipment and resources is covered by the policies referred to at paragraph 2.1 above.
- As above at paragraph 1.2, the Member Code of Conduct reminds members that resources and facilities provided to them by the Authority are provided to help them carry out their roles as members more effectively and not to benefit them personally.

Annex 2: Gifts and Hospitality Protocol

1 Introduction

- 1.1 This protocol applies to the Mayor, Combined Authority Board Members, Business Board Members and Members of the Combined Authority's Committees and Boards when they act in that capacity. It also applies to co-opted members of the Combined Authority's Committees who are not elected members of the Combined Authority's constituent councils. It should be read in conjunction with the Member Code of Conduct. For the purpose of dealing with any complaints about the conduct of Members this Protocol is deemed to form part of the Member Code of Conduct. The Code of Conduct for the officers of the Combined Authority also imposes obligations on officers in relation to the declaration of gifts and hospitality.

2 Gifts and Hospitality

- 2.1 Gifts and Hospitality will include any gift, hospitality, offer or favour which is offered to a Member personally, whether or not the gift or hospitality is accepted. The definition includes gifts and hospitality offered to either a Member or to the family and friends of Members which arise from the position of the Member and common examples would be:
- Any offer of a gift of goods or services without payment;
 - Any offer of goods or services at a discount not available to the public;
 - Any offer of food, drink, travel or accommodation;
 - Any invitation to attend a cultural or sporting event without payment or at a discounted rate;
- 2.2 If you accept gifts and hospitality when it is not appropriate to do so it can damage both your own reputation and the reputations of the Combined Authority and any constituent council of which you are a member. In some circumstances, as set out in paragraph 3 below you may commit a criminal offence by accepting gifts or hospitality. As set out in the Member Code of Conduct, you should avoid placing yourself under any obligation to people or organisations that might try to influence you inappropriately in your work for the Combined Authority.
- 2.3 The decision on whether to accept a particular offer of a gift or hospitality is a matter for you. Whether you should accept a gift or hospitality will depend upon all the circumstances in which the offer is made but you should also consider how the acceptance of the gift or hospitality will be perceived by others. If in doubt you should always seek advice from the Combined Authority's Monitoring Officer or the Chair of the Combined Authority's Audit & Governance Committee.

2.4 The kind of gifts or hospitality it may be appropriate to accept would include:

- Gifts worth less than £25 such as calendars, diaries, pens and flowers;
- Gift and hospitality provided by a public body;
- Simple refreshment provided at a meeting such as tea, coffee and biscuits;
- A simple working meal at which business is discussed;

But whether an individual offer should be accepted will always depend on all the circumstances and you should note the rules set out in paragraph 4 below about registration of gifts and hospitality. You must never solicit any gift or hospitality as a Member.

2.5 The kind of gifts it would not be appropriate to accept would include:

- Any gift in the form of cash or another form of direct payment;
- Any gifts in the form of holidays, including accommodation or travel arrangements;
- Any gift or hospitality intended to influence what you do as a Member or to put you under an obligation to the donor. In particular you should not accept any offer from a person or organisation which is involved in, or which may become involved in the future in
 - Any procurement exercise being run by the Combined Authority;
 - Any application for a grant, loan or other financial assistance from the Combined Authority;
 - Any legal dispute with the Combined Authority;
- Any gift or hospitality that is of significant value or where the value is disproportionate in the circumstances;

2.6 If you suspect that the motive behind an offer of a gift or hospitality is an inducement for you to make a particular decision or a reward for doing so you must decline it. Similarly, if accepting a gift or hospitality would be open to misinterpretation you should decline it.

2.7 This protocol only applies to gifts and hospitality you may receive in your capacity as a Member of the Combined Authority and does not apply to gifts and that are not related to your position as a Member, such as birthday or Christmas gifts from family and friends. If you are also an elected member of one of the Combined Authority's constituent councils you will also be subject to your council's Code of Conduct and rules on gifts and hospitality.

3 The Criminal Law

3.1 Under the Bribery Act 2010 it is a criminal offence to request, agree to receive or accept a financial or other advantage as a reward for the improper performance of any function of a public nature.

- 3.2 If you believe a person or organisation may have been offered a bribe, you should immediately report the matter to the Combined Authority's Monitoring Officer or to the Police.

4 Registration of Gifts and Hospitality

- 4.1 You must register any offer of a gift or hospitality with an estimated value of at least £25 with the Combined Authority's Monitoring Officer within 28 days of its receipt. The registration must include details of the source of the gift or hospitality, a description, its estimated value, whether the gift or hospitality was accepted and what the Member has done with a gift.
- 4.2 If you are offered gifts or hospitality with a total value of at least £100 from the same source over a twelve month period you should register them with the Monitoring Officer regardless of whether any individual offer had an estimated value of at least £25.
- 4.3 If you are not sure of the value of the gift or hospitality it is good practice to register it anyway.
- 4.4 The Register of Gifts and Hospitality will be published on the Combined Authority's website.

5 Breaches of this Protocol

- 5.1 Breaches of this Protocol will be dealt with as breaches of the Member Code of Conduct. The Audit & Governance Committee has oversight of the Member Code of Conduct and responsibility for hearing complaints about Member conduct which have been referred to them by the Combined Authority's Monitoring Officer.
- 5.2 Allegations of any breach of this Protocol should be made in writing to the Combined Authority's Monitoring Officer.

6 Advice and Support

You should seek advice from the Combined Authority's Monitoring Officer or the Chair of the Audit & Governance Committee if you are uncertain how to deal with an offer of a gift or hospitality.

Annex 3: Protocol on Member/Officer Relations

The purpose of this Protocol is to guide Members and officers of the Combined Authority in their relations with one another.

Introduction

1.1 The Member Officer protocol is designed to provide a guide to good working relations between Combined Authority Members, including the Mayor, and officers, to define their respective roles and provide principles governing conduct. It is not intended to be prescriptive or comprehensive and seeks simply to offer guidance on some of the issues that most commonly arise.

1.2 The protocol seeks to reflect the principles underlying the respective Codes of Conduct that apply to Members and officers and should be read in association with those Codes. The shared objective of the Codes is to enhance and maintain the integrity of local government.

1.3 This protocol will also apply to co-opted members of committees/boards.

1.4 Members and Officers are all public servants who depend on each other in carrying out their work. Members are responsible to the people of the Combined Area who they serve for as long as their term of office lasts, while Officers are responsible to the Authority. Their job is to give impartial advice to the Cabinet and to the Authority's committees and subcommittees as well as individual Members, and to carry out the Authority's work.

1.5 Mutual respect between Members and Officers is essential to good local government. Mutual respect and courtesy should prevail in all meetings and contacts (both formal and informal) between Members and Officers. To be most effective Members and Officers will work closely and cohesively together.

1.6 The relationship has to operate without any risk of compromising the ultimate responsibilities of Officers to the Authority as a whole, and with due regard to such technical, financial, professional and legal advice that Officers can legitimately provide to Members.

Roles

2.1 Role of Members: Members have many different roles:

- a) Members are the policy makers and carry out a number of strategic and corporate functions collectively approving the Authority's policy framework, strategic plans and budget.
- b) Developing and reviewing policy and strategy.
- c) Monitoring and reviewing policy implementation and service quality.

- d) Members express political values and support the policies of the political party or group to which they belong (if any).
- e) Representing their communities and bringing their views into the Authority's decision-making processes, thus becoming advocates for their communities.
- f) Being involved in partnerships with other organisations as community leaders.
- g) Representing the Authority on other bodies and acting as ambassadors for the Authority.
- h) Members may have roles relating to their position as members of the Board or Overview and Scrutiny Committee or other committees and sub committees of the Authority.

2.2 Roles of Officers: Officers' main roles are as follows:

- a) Providing advice to the Board, to the Authority's committees and subcommittees and Members to enable them to fulfil their roles.
- b) Managing and providing services for which they are responsible.
- c) Being accountable for ensuring those services are efficient and effective.
- d) Advising the Board, the Authority's committees and subcommittees and Members in respect of those services.
- e) Initiating proposals for policy development.
- f) Implementing the Authority's policies.
- g) Ensuring the Authority acts lawfully.
- h) Representing the Authority on external organisations.

3. Principles of Behaviour

3.1 Respect and Courtesy: An essential ingredient to the Authority's business being conducted effectively is ensuring mutual respect, trust, courtesy and even-handedness in all meetings and contacts between Officers and Members. This plays a very important part in the Authority's reputation and how it is seen by the public and partners.

3.2 The relationship between officers and Board Members should be characterised by mutual respect and courtesy and recognition of each other's roles and responsibilities. Board Members have the right to challenge officers' reports and actions, but they should avoid personal and or/public attacks, and ensure their criticism is fair and constructive.

3.3 Officers should not publicly criticise Authority decisions even if they do not personally agree with those decisions.

3.4 The Authority's Reputation: Members and Officers both have an important role in engendering a good reputation for the Authority. In particular they should:

- 1) protect and promote the legitimacy of democratic local government;
- 2) promote a positive relationship between Members and Officers and be careful not to undermine it;
- 3) avoid criticism of the Authority when formally representing it; and
- 4) avoid personal criticism of other Members and Officers.

3.3 Undue Pressure: It is important in any dealings between Members and officers that neither should seek to take unfair advantage of their position. In their dealings with officers (especially junior officers) Members need to be aware that it is easy for them to be overawed and feel at a disadvantage. Such feelings can be intensified where Members hold senior and/or political office.

3.4 Certain statutory officers – the Head of Paid Service, the Section 73 Chief Finance Officer and the Monitoring Officer - have specific roles which Members must understand and respect. Members should have particular regard to any advice given by them.

3.5 A Member should not apply undue pressure on an officer either to do anything that they are not empowered to do or to undertake work outside normal duties or outside normal hours. Particular care needs to be taken in connection with the use of Combined Authority property and services.

3.6 Members should always direct requests for information/ advice through the Chief Officers. They should never go directly to Junior Officers as this can put undue pressure on individuals.

3.7 To assist Members in decision making they should be informed of all legal and financial considerations, and be warned of the consequences even if it is unpopular. If a Member has a concern that an Officer is not carrying out a particular Authority decision, the Member concerned should draw this to the attention of the Head of Paid Service.

3.8 Similarly, an officer must neither seek to use undue influence on an individual Member to make a decision in their favour, nor raise personal matters to do with their job, nor make claims or allegations about other officers.

3.9 Personal/ Business Relationships: It is important not to allow any personal or business connection or relationship with any other Member or Officer to affect the performance of official responsibilities, taking action or making decisions. It is also important in these circumstances to be wary of passing confidential information to anyone who should not have access to it.

3.4 Members should take account of any relationship or connection they have with any other Member or Officer when considering whether or not they need to register or declare a personal interest.

4. Member Officer Working

- 4.1 Advice: Members are entitled to ask the Chief Officers for such advice and information as they reasonably need to help them in discharging their role as a Member of the Authority. This can range from general information about some aspect of the Authority's activities, to a request for specific information on behalf of a constituent.
- 4.2 It is important for the Chief Officers to keep Members informed both about the major issues affecting the Authority and about issues affecting the areas s/he represents. Members shall be kept informed about proposals affecting their constituent council areas and be invited to Authority initiated events within or affecting their constituent council areas.
- 4.3 Advice or information sought by Members should be given in a timely manner. It should be provided by the relevant service provided it is within the service's resources.
- 4.4 Officers serve the whole Authority and must be politically neutral in their work. In providing advice and support to the Authority and when implementing its lawful decisions, it must not be assumed that an Officer is supportive of a particular policy or view or is being other than politically neutral in implementing such decisions.
- 4.6 Officers can advise Members on matters relating to the Authority's business. When seeking advice the Members should approach the Chief Officers in the first instance. They will direct the Members to the appropriate lead officer who will normally be at Director/ Head of Service level.
- 4.7 Junior Officers should not be approached directly with requests for information or advice, in such a circumstance the Officer should inform his or her manager about the request(s) in order to enable a matter to be properly dealt with.
- 4.8 Officers can usually give information confidentially unless doing so would not be in the Authority's best interests (for example, if it went against their obligation to protect the Authority's legal or financial position). Any information a Member receives confidentially in one capacity (for example, as a Member of the Board) cannot be used when acting in a different capacity (for example, when representing his/her ward).
- 4.8 Confidential information can only be given to those entitled to see it. It is best to check with the Officer giving the information whether it is appropriate to pass it on to others. Members should make sure that when they are getting help and advice from Officers they only ask for information to which they are properly entitled. There is more detail about the information to which Members are entitled in the Constitution.
- 4.9 Working relationship: Officers work to the instructions of their managers not individual Board Members.
- 4.10 Board Members must not require officers to change their professional advice or take any action which the officer considers unlawful or illegal or which would amount to a breach of officers roles and responsibilities, maladministration or breach of a statutory duty.

4.11 Board Members should not raise matters relating to the conduct or capability of an officer or of officers collectively at meetings held in public or in the press. Any concerns should be raised using the appropriate procedure.

4.12 The Authority has a statutory duty to positively promote equality. Members and officers should not by their manner, speech, or in any written communication, be discriminatory with regards to a person's age, disability, gender reassignment, marriage and civil partnership, pregnancy and the protected characteristics set out in The Equality Act 2010.

4.13 Briefings: Any Board Member may request a private and confidential briefing from an Chief Officer on matters of policy which have already been or may be discussed by the Authority or within its decision-making or advisory process. All requests should be made to the appropriate Chief Officer..

4.14 Briefings shall remain strictly confidential and are not to be shared with other members of the Authority unless so permitted by the relevant member.

4.15 Any official information provided to a member must only be used by the Board Member solely for the purpose for which it was provided (i.e. in connection with the proper performance of the member's duties as a member of the Council).

5. Confidentiality

5.1 Members are entitled to access information to enable them to discharge their responsibilities. The Access to Information Rules in the Constitution, set out the basis on which information can be accessed by Members and the public generally, but do not affect any other rights to information arising under standing orders or by law. They also set out the difference between confidential information and exempt information.

5.2 Members must ensure that they comply with data protection arrangements and not disclose information given to them in confidence by anyone, or information acquired which they believe, or ought reasonably to be aware, is of a confidential nature, except where:-

- ☐ they have the consent of a person authorised to give it,
- ☐ they are required by law to do so,
- ☐ the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person, or
- ☐ the disclosure is reasonable and in the public interest, and made in good faith and in compliance with the reasonable requirements of the authority.

5.3 Board/Committee reports which are in the private part of an agenda are to be treated as exempt information unless the relevant board/ committee resolves not to exclude press and public. Members are reminded that the author of the report makes the initial decision as to whether or not the papers are to be treated as exempt from public disclosure. The decision as to whether they remain exempt is for the board/ committee.

6. Political Activity

6.1 There are a number of rules which apply to Officers who occupy politically restricted posts under the Local Government and Housing Act 1989. In summary such Officers are prevented from:

- a) being a Member of Parliament, a Member of the European Parliament or a local authority member;
- b) acting as an election agent or sub agent for a candidate for any of those bodies;
- c) being an officer for a political party or branch, or a committee if that role is likely to involve participation in the management of the party or branch, or to act on its behalf in dealings with other persons;
- d) canvassing on behalf of a political party or an election candidate;
- e) speaking in public in support of a political party; and
- f) publishing written or artistic works affecting support for a political party.

7. Media

7.1 All relations with the media must be conducted in accordance with the Authority's agreed procedures and the law on Local Authority publicity. Media inquiries relating to official business should be referred to the Communication Team.

7.2 Officers will make every effort to keep Board Members informed of media interest in Authority activities relevant to their responsibilities especially regarding strategic or contentious matters.

7.3 Any officer assisting a member with media relations must act at all times in the interests of the whole Authority and in a politically impartial manner. Other than factual statements, members should not seek assistance from an officer with the preparation or issue of any media statement that will adversely affect the reputation of the Authority.

8. Social Media

8.1 The Combined Authority supports and encourages the use of social media. Social media has become an every-day communications tool for Members and the people they represent, and the potential for using social media is huge. Social media allows you to be innovative and responsive as well as providing links to useful sources of information or sign-posting to other organisations.

8.2 Social Media use must be in line with the Combined Authority's Social Media Protocol [currently in development]

8.3 The Communications Team can provide useful assistance and guidance on the use of social media for both Members and Officers.

9. Support services to Members

9.1 Board Members are provided with access to ICT (information and communication technology) systems and to support services (e.g. diary management, correspondence handling, typing, printing, photocopying etc.) to enable them to better perform their role as Board Members.

9.2 Members should not use – and officers should not provide – such access and support services in connection with party political or campaigning activity or for purposes not related to Combined Authority business, except that ICT access may be used for non-commercial purposes provided it does not cause a conflict with, or risk to, the Authority's systems, or increase the support required from officers.

10. Member Training

10.1 Board Members are expected to embrace the principles of personal development and skill training and ensure they allocate time to participate in all the necessary training and personal development activities. This includes, but is not limited to, the necessary skills to take advantage of the ICT facilities made available to them.

11. Complaints and Concerns

11.1 Procedure for Members: If a Board Member is dissatisfied with the conduct, behaviour or performance of an officer they should raise the matter privately with the relevant Executive Director or Director. If their concerns relate to an Executive Director or Director the concern should be raised with the Chief Executive. If the concerns relates to the Chief Executive then the concern should be raised with the Monitoring Officer. Where necessary, internal HR processes will be undertaken.

11.2 Procedure for Officers: If an officer is unhappy with the conduct or behaviour of a Board Member they should seek to resolve the matter by appropriate discussion and involvement of their Executive Director or Director.

11.3 In the event that matters remain unresolved they should inform the Monitoring Officer who will consider what action should be taken.

11.4 Arbitration: When necessary, the Chief Executive will arbitrate on the interpretation of this Protocol following consultation with the Monitoring Officer, who may also involve the head of HR where s/he judges that appropriate.

Annex 4: Guidance for Members and Officers on Publicity During the Pre-election Period

Annex 5: Politically Restricted Posts Protocol

1.0 INTRODUCTION

- 1.1 The Combined Authority Constitution outlines the delegations to the Monitoring Officer one of which states they are responsible for determinations in relation to, and maintenance of, the list of politically restricted posts. Political restriction means that certain posts are “politically restricted” for the purposes of Part I of the Local Government and Housing Act, 1989 and the Local Government Officers (Political Restrictions) Regulations, 1990 is applied to Combined authorities by section 21(1)(jb) of the Act meaning the Combined Authority is subject to the same rules on political restriction as its constituent councils.

2.0 THE EFFECT OF POLITICALLY RESTRICTED ROLES

- 2.1 The 1989 Act sets out the posts which are to be politically restricted within a local authority. The effect of political restriction is to prevent the postholder from:
- (1) Being elected or appointed as a member of a local authority [this does not apply to membership of a parish council];
 - (2) Announcing or allowing anyone else to announce their candidature for election as a member of the House of Commons, European Parliament, Scottish Parliament, Welsh Assembly or a local authority (as above);
 - (3) Continuing in the employment of the authority once notice of resignation has been given to stand as a candidate for the House of Commons;
 - (4) Acting as an election agent or sub-agent for a candidate for election to one of the bodies above;
 - (5) Being an officer of a political party or any branch of such a party or a member of any committee or sub-committee of such a party or branch if such duties require participation in the general management of the party or branch acting on behalf of the party or branch in dealings with people other than members of the party or associated political party;
 - (6) Canvassing on behalf of a political party or on behalf of a candidate for election to any of the bodies above;
 - (7) Speaking to the public at large or to a section of the public with the apparent intention of affecting public support for a political party;
 - (8) Publishing any written or artistic work of which the postholder is the author or co-author or any written work or collection of artistic works in which the postholder has acted in an editorial capacity or permitting anyone else to publish such a work or collection if that work appears intended to affect public support for a political party. Specifically excluded

from this restriction is the display by a politically restricted post holder of a poster or other document on property occupied as a home or on a vehicle or article used by the post holder.

- 2.2 The restrictions on public speaking and publishing written or artistic works at (7) and (8) do not preclude a politically restricted postholder from engaging in those activities to the extent it is necessary of the proper performance of their official duties.
- 2.3 Where a post is politically restricted the terms and condition of appointment or employment for the postholder are deemed to incorporate these restrictions.

3.0 POLITICALLY RESTRICTED POSTS

- 3.1 The 1989 Act sets out those posts which are politically restricted, for the purposes of the Combined Authority these fall into five categories:

- (a) Statutory Officers

[for the Combined Authority these are the Head of Paid Service [the Chief Executive], Monitoring Officer and section 73 Officer]

- (b) Non-statutory Chief Officers

[These are officers for whom the head of the authority's paid service is directly responsible, who report to directly or who are directly accountable to the head of paid service but this does not include officers whose duties are solely secretarial or clerical or in the nature of a support service]

- (c) Deputy Chief Officers

[These are officers who are required to report directly or who are directly accountable to one or more of the Chief Officers but this does not include officers whose duties are solely secretarial or clerical or in the nature of a support service]

- (d) Political assistants appointed under section 9 of the Act

- (e) Other postholders whose posts are included in a list of posts where the duties of the post consist in or involve one or both of giving advice on a regular basis to the authority themselves, to any committee or sub-committee of the authority or to any joint committee on which the authority are represented or speaking on behalf of the authority on a regular basis to journalists or broadcasters.

- 3.2 Postholders whose posts are politically restricted on the basis that their duties involve advising the Combined Authority or its committees or sub-committees, or due to their duties involving speaking to journalists or broadcasters may apply to the Head of Paid Service for exemption from political restriction. An exemption may be granted if the

Head of Paid Service is satisfied that the duties of the post do not involve those activities.

- 3.3 Table 1, below, contains the roles that are automatically politically restricted under section 2 of the Local Government and Housing Act 1989 and the Local Democracy, Economic Development and Construction Act, 2009. The table contains posts formerly filled by colleagues no longer working for the Combined Authority but who were included in the last audit of politically restricted posts undertaken by the Combined Authority. For the purpose of this undertaking these roles are retained in the table as they may have been filled.

Table 1

Annex 6: Social Media Protocol

Annex 7: Webcasting of Meetings Procedure

General

- 1.1. The Combined Authority has agreed that meetings of the Combined Authority Board, Executive Committees, Audit & Governance Committee and Overview & Scrutiny Committee can be transmitted live on the internet (webcast), and the recordings made available on the website for 12 months.
- 1.2. Other meetings may also be webcast, as and when required, subject to the approval of the Chairman and members present. This protocol has been produced to assist the conduct of webcast meetings and to ensure that in doing so the Combined Authority is compliant with its obligations under the Data Protection Act 1998 and the Human Rights Act 1998. Accordingly, the following will apply to all meetings to be webcast by the Council:
 - 1.2.1. The Mayor/Chairman of the meeting has absolute discretion to terminate or suspend the webcast at any time and for any reason which the Mayor/Chairman deems reasonable. This may include public disturbance or other disruption of the meeting.
 - 1.2.2. No exempt or confidential agenda items shall be webcast and no part of any meeting will be webcast after the Council has voted to exclude the press and public because there is likely to be disclosure of exempt or confidential information.
 - 1.2.3. Subject to (d) below, all archived webcasts will be available to view on the Council's website for a period of 12 months.
 - 1.2.4. Archived webcasts or parts of webcasts may be removed from the Council's website if, in the reasonable opinion of the Monitoring Officer, it may prejudice the Council's or the public's interests. Content may also be removed if the Monitoring Officer considers it necessary because all or part of the content of the webcast is or is likely to be in breach of any statutory provision or common law, for example Data Protection and Human Rights legislation or provisions relating to confidential or exempt information.

- 1.2.5. If the Monitoring Officer has decided to take such action he/she/they must notify all elected Members in writing as soon as possible of his/her decision and the reasons for it. Council anticipates that the need to exercise this power will occur only on an exceptional basis.
- 1.2.6. Any elected Member who is concerned about any webcast should raise their concerns with the Monitoring Officer.
- 1.2.7. At the start of each meeting to be recorded, an announcement will be made to the effect that the meeting will be webcast and the Mayor/Chairman will make the following statement: 'May I remind everyone present that this meeting will be broadcast live via the internet and the record will be archived for future viewing.'
- 1.2.8. As part of the process for asking public questions residents will be advised that the meeting will be streamed on the internet and a copy of the meeting retained on the website. If an attendee (other than an elected member of the Council) does not wish to be filmed whilst addressing the meeting (unless they are included in the proceedings) ordinarily if members of the public are participating the meeting Clerk will provide advice on the best place to position themselves to ensure no image of the attendee is taken and the webcast operator will focus the camera on the Mayor/Chairman.
- 1.2.9. At the front of each agenda and on signs to be displayed inside and outside the meeting room there will be the following notice:-
WEBCASTING NOTICE Please note: this meeting may be filmed for live broadcast via the Combined Authority's website with recorded content available to view on its website for a period of 12 months.
- 1.3. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If members of the public do not wish to have their image captured they should notify the Mayor/Chairman at the start of the meeting and sit out of range of the cameras.
- 1.4. Any queries regarding the webcasting of meetings should be referred to the Monitoring Officer.

Members of the public are permitted to film or record Councillors and officers at any Council meetings that are open to the public and press. The Combined Authority permits photography and social media reporting of all its public

Annex 8: Disciplinary Procedures in Relation to the Head of Paid Service, Monitoring Officer and Section 73 Officer

- (a) The procedures for disciplinary action and dismissal of the Head of Paid Service [Chief Executive], Monitoring Officer and Section 73 Officer [“the statutory officers”] match the requirements of the Local Authorities (Standing Orders) (England) Regulations 2001 [as amended] which apply to the Combined Authority’s constituent councils.
- (b) Only the Combined Authority Board may dismiss the statutory officers following the procedure set out in this Annex and following the recommendation of a Statutory Officer Investigatory Panel constituted as set out below.
- (c) In any case where disciplinary action, as defined in Chapter 12 of the Constitution (Employment Committee) is to be taken against one of the statutory officers the Employment Committee shall establish a Statutory Officer Investigatory Panel to deal with the matter. The Panel shall have the authority to take disciplinary action short of dismissal against a statutory officer and to recommend to the Combined Authority Board that a statutory officer be dismissed.
- (d) The Statutory Officer Disciplinary Panel shall be made up of all the members of the Employment Committee or their substitute members, including the Mayor or Deputy Mayor acting in their place, together with at least two independent persons appointed by the Combined Authority or by other local authorities in England under section 28(7) of the Localism Act 2011 subject to the rules on appointment of independent persons to the Panel set out in Schedule 3 to the Local Authorities (Standing Orders) (England) Regulations 2001 [as amended].
- (e) Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the Combined Authority Board must take into account, in particular
 - any advice, views or recommendations of the Panel;
 - the conclusions of any investigation into the proposed dismissal; and
 - any representations from the relevant officer.
- (f) Any remuneration, allowances or fees paid by the Authority to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person’s role as an independent person under the 2011 Act.
- (g) The Panel must be appointed at least 20 working days before a meeting

of the Combined Authority Board to consider whether or not to approve a proposal to dismiss a statutory officer.

Annex 9: Monitoring Officer Protocol

Annex 10: Procurement Policy



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

PROCUREMENT POLICY

November 2022

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1. Introduction

This document sets out the procurement approach to be applied by any person purchasing Goods, Services or Works on behalf of the Cambridgeshire and Peterborough Combined Authority (CPCA). It is complementary to Chapter 16 – Contract Procedure Rules of CPCA's Constitution and it is designed to detail the overarching approach to public spending and the strategy by which best value and compliance is to be achieved.

2. Organisation Classification

The Cambridgeshire and Peterborough Combined Authority is classified as a Contracting Authority as defined in Regulation 2(1) of the Public Contract Regulations 2015.

3. Applicable Legislation & Policy

The CPCA is required to operate in accordance with the following Legislation

- The Local Government Act 1972
- TFEU principles and precedence (specifically the Treaty of Rome and the European Union Laws)
- Public Contract Regulations 2015 (PCR2015) as amended from time to time including by The Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021
- Concession Contracts Regulation 2016
- Bribery Act 2010
- Equalities Act 2010
- Localism Act 2011
- Social Value Act 2012
- Modern Slavery Act 2015
- General Data Protection Regulation 2018
- Transparency Code 2015
- Public Procurement Policy Notes

The first item in the above list requires the authority to publish its Standing Orders on how it manages its contracting requirements (Chapter 16 - Contract Procedure Rules) as part of its Constitution; this being available at the following link - [Contract Procedure Rules](#) The CPCA, as part of this section of the Constitution, sets out a basic workflow and series of decisions regarding; budget, conventional route to market options, practical processes, approval

requirements and final award, and is based on the minimum and most commonly applied requirements, as directed by the PCR2015.

The remainder of how the above requirements in legislation and Policy are to be achieved are detailed below.

4. Policy Requirements

This Policy document must be read in conjunction with the Constitution and strictly applied to ensure both:

- 1) the application of the following Treaty Principles;
 - a) equality of treatment
 - b) transparency
 - c) mutual recognition
 - d) proportionality
- 2) evidence of compliance with the Public Contract Regulation 2015 and the Concession Contract Regulations 2016;
- 3) an efficient, effective and economic outcome from every procurement;
- 4) a proportionate procurement process that balances procurement costs and delivery savings;
- 5) support and push for the socio-economic commitments of the area, Authority and its members where possible and to the largest extent permitted by law, including:
 - Net Zero policies and outcomes by all contractors, suppliers and in works contracts, promoting
 - Real Living Wage to all directly employed staff, (individuals) contractors and contractors' staff working for the Authority for more than two hours per week for eight consecutive weeks.
- 6) The above are to be achieved through the adherence to the following processes, decisions, actions and documentation.

5. Reasons for Compliance

Officers are required to comply with the Contract Procedure Rules and this Policy

- To ensure that the Authority obtains best value when it buys works, goods or services
- To demonstrate true and fair competition and public accountability
- To ensure consistency
- To prevent bribery and corruption, whilst ensuring probity

- To ensure a full audit trail and transparency
- To protect the interests of the Authority, its officers, elected Members, tax payer funds and the public.
- To abide by legislation, government guidance and policy and the Authority's socio-economic commitments.
- To minimise the risk of challenge, project a project from delay and prevent the likelihood of incurring additional costs or paying damages

6. Procurement Planning

Officers need to plan ahead for their required purchases, this to include the following stages

- Financial Approvals – this to include the initial budget allocation and any delegated authorities to award
- Project team – who will support the process from a financial, procurement, legal and a sponsor perspective
- Documentation requirements – internal or external templates
- Process approvals – internal or external panels or boards or funding requirements
- Process durations (excluding any approvals)
 - Single quote - approximately two weeks
 - Three quotes - approximately six weeks
 - Below threshold tender - approximately 10 weeks
 - Above threshold tenders - OPEN procedure – approximately 14 weeks
 - Negotiated Procurement - at least 26 weeks
- Award requirements – this to include the completion of the Officer Decision Notice, approval by the Chief Executive and the (CA Board or Mayoral Decision) if over £500,000 and any Standstill requirements where applicable (The above requirement includes contracts of the same value being novated or assigned).

The Find a Tender Service (“FTS”) threshold is currently at £189,330+VAT and £4,733,252+VAT for services and works respectively but these will change after the 31/12/2021 to £213,477 **including** VAT and £5,336,937 **including** VAT respectively.

7. Procurement Documents

All procurements must include the following information, where practical, using the CPCA standard templates and requirements (to be supplied as templates by the procurement team where necessary).

- Either a **Request for Quotations** (“RFQ”) or **Invitation to Tender** (“ITT”) document that details the process to be followed, the rules of participation and the method by which the procurement will be managed, evaluated and awarded.
- A **Contract Specification** or set of **Employers Requirements– Included in the ITT**
- A **Standard Selection Questionnaire** (“SSQ”) document (may only be used on above EU threshold processes) used to assess mandatory and discretionary disqualifications and a supplier’s overall suitability to contract with the CPCA. – Included in the ITT for open procurement process only or a separate document for other processes.
- A **Due Diligence Information Document** that enables the CPCA to assess the stability and commercial suitability of the organisation to deliver the contract – Included in the ITT
- A Set of **Method Statement Questions** that direct the supplier to specify and explain how they will deliver the specifics of the project’s requirements. – Included in the ITT
- A **Pricing Document** to be completed – To be attached to the ITT as part of the tender documents
- The **Contract Terms and Conditions**– To be attached to the ITT as part of the tender documents
- Any additional, supporting; charts, drawings, data sheets, explanatory notes etc.

8. Tender Specifications (law & CPCA requirements)

The tender specification needs to adequately define the CPCAs requirements; this could be as an input, output or outcome spec.

When using an input specification, officers cannot name a manufacturer, brand, model or part number; the requirement needs to be defined by its functionality and performance. Where it is impossible to define a requirement without naming a product; the specification must state, ‘or equally approved’.

The specifications must be relevant to the subject matter of the procurement and they must not be drafted so as to narrow competition artificially.

Officers defining the contract requirements must therefore be suitably experienced (and for an input specification; up-to-date with current standards, technology and trends) such that the tender documentation will facilitate a suitable offering and a manageable contract.

9. Procurement Route Decisions

Officers are required to consider their route to market based on the nature of the purchase, whether the total contract value exceeds a requirement to advertise (over £25k) and the FTS threshold, and under which of the following categories that spend falls;

- **Category 1 - Public Contracts** - Works, Goods or Services contracts where there is a definitive requirement with certainty of profit
- **Category 2 - Concession Contracts** – where there is an investment or risk on return by the supplier such that there is no certainty of profit; e.g. café services
- **Category 3 - Light Touch Regime Contracts** – where the cross-border markets are limited as suppliers are usually required to be locally based and knowledgeable; e.g. legal services, education, catering

Each of these Categories has an FTS threshold for advertising and as such two different strategies by which to engage with the market. The Current FTS thresholds are available at the following link - [Public Procurement thresholds 2020/2021 – Tenders Direct Blog](#)

In selecting the optimal route to market, officers are required to demonstrate that their selected route achieves primarily value for money and secondly promotes the Authority's commitments; generally this will require evidence of the supplier having been selected through a competitive procedure be that in the establishment of a competitively procured corporate contract or framework (by the CPCA or another approved organisation), or through a project specific competition. The level of competition required is set out below.

When awarding/signing Contracts following a procurement route, the officers are required to fill in the relevant form to each route (as described in the [Decision Matrix spreadsheet](#)) and obtain necessary approvals as indicated within the relevant form used. Templates of the relevant forms can be found [HERE](#).

9.1. Below threshold – all categories

(Supplemental to paragraph 18.1 of Chapter 16 of the CPCA's Constitution)

- under £50,000 officers are required to seek three local quotes where available as a preference unless the technicality of the requirement is so specialist that this overrides the socio-economic commitments of the CPCA in which case an advert may be required to seek interest from appropriately qualified organisations
- over £50,000 officer are required to either utilise a corporate contract or an existing framework, wherever possible (as listed below), or to place an advertisement and invite

tenders using the CPCA standard templates above and procurement process detailed below.

9.2. Above threshold – Category 1

Over the FTS threshold officers are **required to consult with procurement** and to carry out an [options appraisal](#) (using the CPCA standard form) in consideration of the following

- consider and evaluate the use of existing frameworks; specifically
 - Crown Commercial Services Frameworks
 - Eastern Shires Purchasing Organisation Frameworks
 - Homes England Frameworks
 - Highways England Frameworks
 - National LGPS Frameworks
 - Any other framework in which we have been explicitly named and financially accounted for.

Where a framework is used, the officer must comply with the processes as set out in the original procurement. Where there is an option for either direct award or mini competition, officers must consider the following.

- Where the contract value is over the FTS Threshold, a mini competition must be applied
- Where the contract value is under the FTS Threshold, and the framework allows for direct awards for such values, the officer may apply either option (subject to the advice by the procurement department, and) depending on
 - The technical requirements of the contract
 - The suitability of the suppliers on the framework
 - Any conflicts between this appointment and other project related contracts
 - Criticality of timescales
 - Historic project knowledge where the initial appointment was suitable procured.

Where a framework is not available or they are deemed unsuitable, and in considerations of the requirements of the category, officers must advertise the opportunity and select the route based on the following options listed below:

Single Appointment Requirements

- OPEN tendering must be the default option – it requires the disclosure of EVERYTHING up front to EVERYONE and as such best demonstrates an open, fair, inclusive and transparent process; however
- RESTRICTED tendering may be used where the market is extensive and the cost to the CPCA and the market against the process is disproportionate to the value of the contract such that a short-listing stage is advantage to all parties. EVERYTHING must still all be disclosed upfront
- COMPETITIVE PROCEDURE WITH NEGOTIATION tendering may be used where EVERYTHING is not known upfront as how the outcomes are to be achieved need market involvement.

Multiple Appointment Requirements

- FRAMEWORK AGREEMENT - these are procured in accordance with any of the routes above and can include single or multiple requirements (LOTS), single or multiple suppliers and single or multiple awards. It is a closed list once awarded and has a maximum duration of 4 years. The initial process and any subsequent awards must comply with the principles of equal treatment and transparency and comply with both the PCR 2015 and the processes defined in the framework documents.
- DYNAMIC PURCHASING SYSTEMS these are open lists, they are established using the SSQ and a minimum level of quality and previous experience requirements; suppliers are added to categories if approved and any award under the DPS must be by way of a mini competition which evaluates price and quality.

9.3. Above threshold – Category 2

- OPEN tendering must be applied – it requires the disclosure of EVERYTHING up front to EVERYONE and as such best demonstrates an open, fair, inclusive and transparent process

9.4. Above threshold – Category 3

- There are no prescribed routes to market, the process must be defined on a project by project basis and must comply with the TFEU principles of equality, transparency fair treatment of suppliers and proportionality.

10. Tender Process & Communication – Category 1 & 2

All Procurement information and tender requirements **MUST** be shared equally with ALL interested parties; to facilitate this, the following rules regarding information distribution, communications and storage, must be followed.

ALL information must be shared and managed **ELECTRONICALLY**, and where specified below, **managed through the CPCA e-tendering portal**

10.1. Under £10k – quotes

Single quotes must be obtained by email and accepted by way of a purchase order which is issued electronically and includes a description of the purchase and the total price to be paid.

10.2. Non-advertised (three) quotes - £10k - £50k

Where three quotes are obtained directly from three local suppliers, these can be requested by email. Once evaluated the selected supplier's quote must be and accepted by way of a purchase order which is issued electronically and includes a description of the purchase and the total price to be paid.

10.3. Advertised quotes - £25k - £50k

Where an officer cannot identify 3 local suppliers from whom to obtain quotes, the opportunity must be advertised on Contracts Finder (via the e-tendering portal) and an appropriate set of procurement documents collated so as to clearly and transparently define the project requirements and enable interested parties to submit a compliant and competitive quote.

All correspondence regarding the tender process, documentation and requirements must be managed through the portal and all information shared equally with all interested parties by way of the public notification function. The evaluation outcome and award must be noted in the system and any decision reports attached.

10.4. Advertised Tenders – over £50k

Where a contract has a value that exceeds £50k and the opportunity cannot be awarded through an existing framework then it must be advertised on Contracts Finder (via the e-tendering portal) and an appropriate set of procurement documents collated so as to clearly and transparently define the project requirements and enable interested parties to submit a compliant and competitive quote. These processes are to be loaded and overseen by procurement.

All correspondence regarding the tender process, documentation and requirements must be managed through the portal and all information shared equally with all interested parties by way of the public notification function. The evaluation outcome and award must be noted in the system and any decision reports attached.

10.5. Regulation compliant Tenders

Above FTS threshold tenders must be both advertised on Contract Finder and in the Find a tender Service (FTS)(via the e-tendering portal – currently Proactis) and an appropriate set of procurement documents collated so as to clearly and transparently define the procurement process to be followed along with the all project requirements so as to enable interested parties to submit a compliant and competitive quote.

All correspondence regarding the tender process, documentation and requirements must be managed through the portal and all information shared equally with all interested parties by way of the public notification function. The evaluation outcome and award must be noted in the system and any decision reports attached.

10.6. Mini Competition from a Framework

Where the CPCA are utilising an existing Framework under which they intend to carry out a further competition to obtain a competitive quote from interested parties, the process and all the tender documentation and correspondence must be managed through the CPCA e-tendering portal. The project officer must utilise the framework templates where stipulated (ours where not) to clearly and transparently communicate all of the project requirements so as to enable interested parties to submit a compliant and competitive quote.

All correspondence regarding the tender process, documentation and requirements must be managed through the portal and all information shared equally with all interested parties by way of the public notification function. The evaluation outcome and award must be noted in the system and any decision reports attached.

10.7. Direct Award from a Framework

Where a framework includes an option to award directly the officer must first identify which supplier best matches their requirements in consideration of performance ability, delivery timescales, cost, experience, ability to resource, conflicts of interest and any other requirements that are particular to the project that demonstrate a justifiable reason for using that supplier over another – this decision making process must be agreed with procurement

and documented by way of an email that can be attached to the contract register when the contract is added.

10.8. Direct Award without advertisement

In some circumstances there may be a justification to award without advertisement or competition; in either and/ or both cases a [Direct Award Template.docx \(sharepoint.com\)](#) must be completed to document and justify this decision and this must be signed in accordance with the requirements of the form.

- Direct Award instead of seeking three quotes below for below FTS Threshold
- Direct award without advertisement or competition for above FTS Threshold- this is covered in Regulation 32 of the Public Contract Regulations 2015 for which exemptions there are certain criteria
 - Monopoly – this must be demonstrated through a single response to an expression of interest published on Contracts Finder (Below threshold) or on the FTS
 - Urgency – This is where the requirement must be addressed sooner than the time required for Threshold procurement – however – the urgency must not be of the CPCA’s making e.g. poor planning.
 - In response to a procurement having been completed in a compliant manner and the outcome not achieving the requirement of the tender documents – in this case a single supplier can be selected to negotiate with.

All decisions regarding this must be agreed with legal and procurement and recorded in the Direct Award Template.

11. Tender Process & Communication – Category 3

11.1. Below Light touch regime threshold

There are no requirements to advertise below Light Touch Regime threshold – however, the CPCA are still required to ensure that the expenditure demonstrates value for money. Officers are also required to ensure they have approval to spend the funds and this and the choice of suppliers should be agreed by the budget holder and the email evidencing this attached to the relative entry on the contract register.

This specifically applies to contentious legal, education, training, catering services procurement processes for the CPCA and others which are included under Section 3 or the PCR2015.

11.2. Above Light touch regime threshold

The practical process for this type of procedure must follow 10.5 above and the details of the process as set out in the Invitation to Tender.

12. Advertising Opportunities and Awards

- Framework Award Notices –
 - Over the FTS threshold, an award notice should be published in the FTS and on Contracts Finder within 30 days from award of contract.
 - Under the FTS threshold - and over £25k an award notice must be published on Contracts Finder within 30 days from award of contract.
- Advertised Opportunities & their Award Notices –
 - Above FTS Level - Any contract that exceeds the FTS threshold must have both the opportunity published in the FTS in accordance with the selected route to market and then , also published on Contracts Finder within 30 days from award of contract.
 - Below the FTS threshold – where the opportunity has been advertised an award notice must also be published using the same mechanisms
- Not-advertised Opportunities & their Award Notices –
 - Three Quotes – where the value exceeds £25k an award notice must be published on Contracts Finder
 - Single Source – where the value exceeds £25k an award notice must be published on contracts finder and where the value exceeds the FTS threshold and is awarded subject to Regulation 32 and VEAT notice must be published and a 10 day stand still period applied.
 - Light Touch Regime below FTS procurements do not need the opportunity advertised but where over £25k, the award must be notified on Contracts Finder

13. Tender Evaluation Approach

13.1. Single quote

Purchases made using a single quote are only evaluated for compliance with request and budget.

13.2. Three Quotes

Purchase made after seeking three quotes (that have not been advertised should be made to the lowest priced suppliers.

13.3. Advertised Tender Processes

Tenders that are advertised must be evaluated for the on the Most Economical and Advantageous Tender where both quality and price are considered.

The default split for evaluation is 60% quality and 40% price but this can be adjusted to a split of 70:30 or 80:20 to reflect the requirements of the contract.

13.4. Mini Competition FW

Mini competitions must be evaluated using the process detailed in the framework documents.

13.5. Direct Award FW

Where a framework enables a direct award process to be applied then procuring officer must document the rationale for how MEAT has been applied in accordance with the framework evaluation criteria and this should be agreed with procurement before the award is made.

13.6. Direct Award without Competition

The process of selecting the supplier to whom the CPCA will direct award will need to provide evidence of some form of evaluation criteria (such as size, experience, references, previous experience by the CPCA or another known Local Authority) as the requirements and pricing that establish the contract will be part of a negotiation process post selection.

14. Tender Evaluation Process

The Treaty Principles are paramount during this stage of the process – failure to apply the specified criteria exactly or fairly is the greatest risk of process failure and Challenge.

The scoring allocation for each section of the criteria must be evaluated from an absolute perspective using a predefined scale and must not include comparison of one supplier against another such that, in theory, a supplier can calculate their own score before they submit their tender.

The recommended approach is set out in the CPCA standard Invitation to Tender (ITT) and should only be amended with agreement from procurement.

The Evaluation Process should address the following three main headings with recommended sub-headings as listed below

14.1. Price

- A Schedule of Rates or Basket Price
- A Lump sum fixed price
- A sufficiency Ratio

14.2. Quality

- Contract delivery processes and Mechanisms
- Resources and technical ability required to deliver the contract
- Timescales and critical path
- Risks & mitigations
- Quality Control
- Health & Safety including Safeguarding, environmental protection,

14.3. Social, economic and environmental requirements

- Putting the Mayor's values at the heart of public procurement, namely
 - Compassion
 - Co-operation
 - Community

as described in more detail in the [Combined Authority's Sustainable Growth Statement](#).
Real Living Wage to all self-employed, contractors and contractors' staff working for the Authority for more than two hours per week for eight consecutive weeks.

- Local jobs, staff training, apprenticeships and work experience etc.
- Volunteering to support local projects
- Net Zero carbon footprint policies and outcomes by all contractors, suppliers and in works contracts, promoting
- Other Environmental protection matters such as; protection of wildlife, product specification, whole life costing, recycling and waste minimisation etc.
- Local spend, local supply chain, local investment

Subject to all requirements in Chapter 16, paragraph 25 of the CPCA Constitution and in the spirit of recent drive of the UK government for environmental protection as an increasingly important criterion for public procurements, all CPCA procurements shall always include forthwith as of the date of this policy version (November 2021):

- a) a criterion regarding Net Zero compliance and this criterion shall receive the maximum weighting permitted by current legislation, to the reasonable assessment of the procurement and legal teams.

Additionally, and in line with the Authority's commitments for accreditation as a Living Wage Employer by the Living Wage Foundation, all CPCA procurements shall always include forthwith as of the date of this policy version (November 2021):

- b) a criterion regarding Real Living Wage compliance and this criterion shall receive the maximum weighting permitted by current legislation, to the reasonable assessment of the procurement and legal teams.

The content of this paragraph 14.3 will be reviewed and updated to increase the weighting received by Net Zero considerations, subject to and in accordance with new impending legislation on the back of the results of the consultation: [Green Paper: Transforming public procurement](#).

Definitions:

"Net Zero" above means a policy and all the practical measures taken by a potential bidder in a procurement by which this bidder ensures and achieves zero balance between the amount of greenhouse gas produced and the amount removed from the atmosphere in its operations.

"Real Living Wage" is the hourly rate payable by organisations to their employees and contractors as this is set by the Living Wage Foundation, which corresponds to the hourly rate working people need to afford a minimum 'decent' standard of living.

14.4. Other Considerations

- Business Continuity Plans
- ISO accreditations
- GDPR processes
- Policies and commitments

15. Post Tender Clarifications

Where, as part of the evaluation process, there are areas of uncertainty, these may be clarified by way of the Q&A process available through the portal.

Any Information received via the Q&A process can only be used to ensure an accurate understanding of the submission and that a fair score has being applied. No new or additional information can be considered or used to re-determine the scores.

Where the intended clarification process is to be managed by way of a meeting, the process for how the responses to questions are to be evaluated and contribute to the final score must be clearly defined within the tender documents and must represent a fair and transparent process. Where such information results in the scores being adjusted, this must be clearly documented on the tender score sheets and in the Tender Report.

Where the clarification relates to price, officers may seek an explanation regarding any anomalies or omissions, but the prices CANNOT be changed. If an item has not been priced individually it is assumed to be provided at no extra costs; if this principle would make the overall contract delivery unsustainable as per above, then the tender may need to be discounted. This can only happen following a clarification process and MUST be reviewed by Procurement before such a decision is made.

Where an arithmetical error is identified, this can be corrected by the CPCA but the error must be confirmed by an independent party (ideally Internal Audit) and confirmed as acceptable by the Tenderer before any further consideration is given to the tender. If the corrected price is considered undeliverable by either the Tenderer or the CPCA then the submission may need to be discounted.

16. Abnormally Low Tenders

Where the evaluator identifies a concern as to the accuracy or deliverability of the submitted prices or a conflict between the pricing and the commitment in the method statements, or there is concern that they have been calculated to distort or manipulate the evaluation process, Officers are advised to liaise with Procurement to carry out a review (in accordance with the PCR2015) to ascertain if the submission is sustainable or if it should be dismissed from further evaluation. Any decision must be agreed by Procurement and the Project Sponsor and be appropriately documented.

17. Tender Report

Following any competitive procurement being completed and the Most Economical and Advantageous Tender identified, over the value of £25,000, the responsible officer must complete a Regulation 84 compliant Tender report [Tender Award Report Template.docx \(sharepoint.com\)](#) (as per CPCA template) which must be signed by the person with authority to agree the expenditure and sign the contract.

A copy of the completed Report (and any supporting documents) must be stored against the project on the Contract register as a private attachment and made available to Central Government upon request.

18. Tender Award & Standstill

Once approval to award has been received, ALL suppliers must be notified at the same time with their correspondence being issued to them through the e-tendering portal.

Standstill is a 10 calendar day waiting period between the notification of an intention to award and the actual award; it is there to enable disappointed or disgruntled suppliers to question or challenge the decision before the contracts are practically awarded and once past, the process protects the CPCA from a claim of ineffectiveness

Although the requirements for Standstill is only mandatory on above FTS threshold advertised procurements, the CPCA policy is to apply a standstill period of 10 days in the following situations

- Above FTS threshold competitions
- Below FTS threshold procurements that have been advertised on Contracts Finder
- All contracts awarded from a framework using a mini competition over £25k where an award notice is published
- All Direct Awards without Competition where a VEAT notice is published.

The use of a standstill period will protect the CPCA from an awarded contract being made ineffective but cannot protect against damages.

19. Tender Feedback

ALL participants in a procurement process are entitled to receive feedback on their tender submission and their performance compared to the successful supplier.

Officers are required to record the justification for their scores as part of the evaluation process and it the collated and moderated comments that must be provided to the supplier as part of the notification correspondence

Officers are advised to agree this feedback with procurement before issuing to ensure it is both sufficient to comply with the PCR2015 and does not breach the requirement to protect commercially sensitive information or personal data which would be a breach of other Public Sector obligations.

20. Contract Documents

All contracts must be in writing, must be collated and signed in accordance with the constitution and must clearly specify the goods, works or services to be provided, including a programme of delivery, the specification and the tender response (including pricing and method statements), terms of payment, and any other terms and conditions agreed, together with exit procedures for when the contract either comes to its natural end or is terminated early, perhaps because the contractor has not fulfilled his contractual obligations, as a minimum and then an electronic copy stored on the contract register.

21. Contract Register

All contracts over £5,000 in value **MUST** be included on the e-tendering contract register. Where the procurement process has been managed through the e-tendering portal all of the required information can be migrated to the register as part of the procurement workflow within the system.

Where a contract has been awarded through either a waiver, quotes process or a direct award mechanism, these **MUST** be manually added and all the supporting documentation appended to ensure a full audit trail of the decision processes. The Waiver and Direct Award forms all include a section at the end of each form labelled 'Contract Register Information' which will need to be completed by the instructing officer and sent to the Procurement inbox, along with the signed contract.

This list of contracts held must be available to the public and the supporting documents must be available on request by Central Government or to facilitate a response to an FOI if received.

22. Other Governance Requirements

22.1. Freedom of Information

In addition to suppliers being entitled to be advised on the outcome and administration of a procurement process, other interested parties may also wish to have access to that information.

Officers should seek guidance from the Governance team and Procurement before disclosing any information to ensure confidential personal data and commercially sensitive financial constructs, trade secrets and intellectual property are suitably redacted before any documents are shared.

22.2. Conflicts of Interest

The Public Contract Regulations and overarching legislation is designed to prevent corrupt practices and any preferential treatment or discrimination of any UK or EU supplier. As such the following rules apply:

All members, officers, senior managers or organisations procuring on behalf of the CPCA must avoid any potential conflict between their own interests and the interests of the CPCA as detailed in the CPCA's Code of Conduct.

Where an interest (financial or personal) is identified this must be reported to the relevant Head of Service (as this is defined in the Constitution) and Procurement such that any identified risks can be minimized. Where such a conflict is identified that person may not participate in the procurement or evaluation process. Where this is not practical, mitigation steps must be agreed with Procurement and Audit.

22.3. Prevention of Bribery and Corruption

Officers, members and consultants working on behalf of the CPCA are not permitted to request or accept any form of gratuity from any suppliers.

Where evidence suggests inappropriate action or events have occurred, a contract may be terminated immediately, and any losses to the CPCA arising from the termination recovered from the supplier.

Any elected Member of the CPCA, member of staff or consultant who becomes aware or has reason to believe that a supplier or potential supplier has committed one of the improper acts must report that to the Monitoring Officer.

22.4. Prevention of Organised Crime & Modern Slavery (law)

Organised crime includes involvement in: illegal drugs, fire arms, fraud and financial crimes, money laundering, child sexual exploitations, organised immigration and human trafficking, cyber-crime and organised acquisitive crime.

Officers are required to complete a due diligence process, before awarding a contract, to ensure that the CPCA is not party to any such illegal or immoral behaviour. This must continue to be monitored throughout the life of the contract.

22.5. Late Tenders

Late tenders can only be accepted as follows

- There has only been one return
- It is less than 5 minutes late
- The other tenders have not been issued to the project officer
- The Project Manager has agreed their inclusion to facilitate competition (under £100,000)
- The relevant Director has agreed their inclusion to facilitate competition (over £100,000)

22.6. Letters of Intent

Letters of intent give the contractor the authority to proceed prior to the execution and dating of the contract. However, they should only be used where there is a genuine need and benefit to the CPCA such as to:

- facilitating the ordering of goods where there are long lead times
- enable design work to commence immediately where not doing so would have an adverse effect on the overall project deadlines and planning requirements
- Other project constraints that put the delivery at risk

All letters that fall under the points above must be agreed with legal and signed by the relevant Director. Where a letter of intent is required for any other reason it must be agreed by the relevant Director prior to issue.

Where a letter of intent is issued it must include a maximum liability of £100,000 unless otherwise agreed by the Chief Executive.

22.7. Extensions or Variations to a Contract

A Contract should only be extended or varied in accordance with any such options included in the original procurement and contract.

Where no such provision exists; a contract can only be extended or varied as follows

- The additional requirement is still in scope of the original specification and does not equate to a new requirement which should have a new process
- The extension or variation does not present an unacceptable risk to the Authority; e.g. had the changes been known, others would have participated in the opportunity or a better price could have been achieved
- The additional requirement does not take it over the FTS threshold when it was procured using a below FTS process

- The additional value does not exceed more than 10% of the original advertised value, or more than 50% if certain requirements are satisfied (as per legal and procurement department's instructions).
- The length of the extension is only 'sufficient for a new procurement and market conditions'.

The application of any extension or variation

- must be in the council's best interest ;
- must demonstrate value for money;
- must be after a new Due Diligence Check has been completed.

The approval must be in consideration of the Authority's requirements above and be based on the total of both the original and all extension values.

22.8. Contract Management

22.9 The CPCA is committed to ensuring that in addition to procuring its contracts effectively and economically, that they will be efficiently managed to ensure the benefits promised are delivered. In addition, any documents appertaining to amendments or additions to the contract must be added to the contract register and any duration there listed amended accordingly.

22.10 All contracts must have a nominated officer to act as contract manager for the whole contract.

22.11 All contracts which exceed the EU threshold values, or which are high-risk, must be subject to regular, formal review with the contractor.

22.12 Officers must not terminate a contract prior to its expiry date without obtaining legal advice. Early termination requires the approval of the Chief Finance Officer.

22.13 If payments to a contractor are to be withheld or if there is a problem with a contract which may result in early termination, then legal advice must be sought.

22.14 Value for money reviews must take place as a minimum on an annual basis and before any contract extension.

23. Urgent decisions outside the budget or policy framework

23.1 Officers discharging executive functions may need to take a decision which is contrary to the Council's policy framework or contrary to or not in accordance with the budget approved by the CA Board if the decision is a matter of urgency. This may include a situation where services are stopped abruptly and if not re-procured as soon as possible, will cause disruption to services to residents and/or functions of the CA. However, such a decision may only be taken: -

- 23.2 If it is not practical to convene a quorate meeting of the CA Board urgently; and
- 23.3 If the Chair of overview and scrutiny committee agrees that the decision is a matter of urgency.
- 23.4 If the Mayor and/or the relevant lead members agrees that it is urgent.
- 23.5 If the approval of the Chief Executive officer, Chief Finance Officer and Monitoring Officer is obtained.
- 23.6 If the reasons why it is not practical to convene a quorate meeting of the CA Board and the consent of the Chair of Overview and Scrutiny and Mayor's consent to the decision being taken as a matter of urgency must be noted on the record of the decision.
- 23.7 In the absence of the Chair of the Overview and scrutiny committee, the consent of the Vice-Chair of the overview and scrutiny committee will be obtained.
- 23.8 In the absence of the Mayor, the consent of the Deputy Mayor will be obtained.
- 23.9 In the absence of both the Chair and Vice Chair of the Overview and Scrutiny committee, the consent of the Mayor or Deputy Mayor will be sufficient.
- 23.10 Following the decision, the decision taker will provide a full report to the next available CA Board explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.
- 23.11 The decision maker will have regard to the decision-making principles and the CA's Financial management Procedure rules in the constitution.
- 23.12 Steps taken by the Executive, a committee of the Executive, an individual member of the Executive or officers discharging executive functions to implement the CA's policy will not exceed budgets allocated and grants available.

24. Responsibilities

- 24.1 Responsibility of Directors - Directors have a duty to ensure that officers dealing with contracts have written authority to do so and comply with all appropriate rules.
- 24.2 Responsibilities of Officers- Officers dealing with contracts must have written authority to do so. Officers must ensure that procurement projects have policy approval and budgetary provision, and the sources of funding must be agreed and stated.

Annex 10: Data Protection Policy

<https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/governance/transparency/codes-ofconduct-and-policies/Data-Protection-Policy.pdf>

Annex 11: Complaints Procedure

Annex 12: Protocol on Appointments to the Office of the Mayor

1. General

- 1.1. There are three posts within the Mayoral Office which are appointed on a different basis to other Combined Authority posts. In particular:
- (a) The contracts of employment for these posts automatically end on the expiry of the Mayor's term of office;
 - (b) The individuals are accountable for their performance of their duties to the Mayor;
 - (c) The individuals are subject to additional requirements as to their conduct, as set out below, which do not apply to other Combined Authority officers.

2. The Legal Basis of Mayoral Appointments

- 2.1. Political assistants are an established part of the local government landscape and are provided for in legislation including:
- Section 9 of the Local Government and Housing Act 1989;
 - The Local Authorities (Elected Mayor and Mayor's Assistant) (England) Regulations 2002; and
 - The West of England Combined Authority Order 2017
- 2.2. There is no specific statutory authority for the appointment of political assistants in the Combined Authority. These posts within the Mayoral Office are appointed by the Mayor using the general power of competence conferred on him by Article 12 of the Cambridgeshire and Peterborough Combined Authority Order 2017.

- 2.3. The posts are subject to political restriction on the basis that the duties of the postholders consist in or involve giving advice on a regular basis to the Mayor themselves. The statutory provision at section 2(3) of the Local Government and Housing Act 1989 refers to giving advice to the “authority” and does not refer to advising a Mayor, but in the context of a Mayoral Combined Authority the reference to the “authority” can be taken to include the Mayor.
- 2.4. These posts are subject to additional restrictions as to the conduct of the postholders over and above those which apply to officers of the Combined Authority whose posts are politically restricted. The purpose of these additional restrictions is to ensure that any potential conflict between the postholders being paid from public funds and having access to public resources and with their participation in party politics is managed.
- 2.5. Provided appropriate safeguards are in place the appointment of these officers is a legitimate and lawful use of the general power. These officers perform a valuable role in allowing the Mayor to obtain political advice without compromising the impartiality of other officers.

3. Duties

3.1. These postholders’ duties include the following:

- (a) Reviewing papers going to the Mayor, drawing attention to any aspect which they think has particular implications for the Mayoralty;
- (b) Ensuring that sensitive political points are handled properly;
- (c) Giving policy guidance on behalf of the Mayor on any aspect of the Combined Authority’s business relating to their job description and give advice to the Mayor accordingly;
- (d) Asking questions of relevant officers, probing, checking facts and research findings;
- (e) Preparing policy papers which can generate long-term policy thinking within the Combined Authority;
- (f) Contributing to policy planning within the Combined Authority, including ideas which extend the existing range of options available to the Mayor with a political viewpoint in mind;
- (g) Helping to brief Members of the Board, MPs and external

officials on issues of Mayoral policy; liaising with outside interest groups; representing the Mayor at meetings and elsewhere;

- (h) Speechwriting and related research, including adding a greater degree of political content to material prepared by other Combined Authority officers;
- (i) Representing the views of the Mayor to the media, only where they have been authorised by the Mayor to do so (NB for the sake of clarity this means that these officers may not speak on behalf of the authority or the Mayor to journalists or broadcasters, except in exceptional circumstances);
- (j) Managing other mayoral appointees and Combined Authority staff appointed by the Chief Executive who provide administrative or clerical support to the Mayoral Office but the dismissal of staff, determining grievances raised by them or altering their terms and conditions of employment are the responsibility of the Chief Executive.
- (k) Attending interview panels for senior Combined Authority staff, as observers, but decisions to appoint rest with the Chief Executive or the Director for that employee. Such attendance to be with the consent of the Chair of the Employment Committee.

4. Additional Requirements as to Conduct

4.1. These postholders are subject to all codes, protocols, guidance and agreements which apply to the conduct of officers of the Combined Authority and the restrictions which apply to politically restricted posts. In addition, they are subject to the following requirements:

- (a) Officers appointed directly by the Mayor should conduct themselves with integrity and honesty. They should not deceive or knowingly mislead the Mayor, the Board, other officers or the public. They should not misuse their official position or information acquired in the course of their official duties to further their private interests or the private interests of others. They should not receive benefits of any kind which others might reasonably see as compromising their personal judgement or integrity. They should not without authority disclose official information which has been communicated in confidence or received in confidence from others.
- (b) All officers appointed directly by the Mayor should not use Combined Authority resources for party political activity. They

are employed to serve the objectives of the Authority; it is this which justifies their being paid from public funds and being able to use public resources and explains why their participation in party politics is carefully limited. They should act in a way which upholds the political impartiality of public servants. They should avoid anything which might reasonably lead to the criticism that people paid from public funds are being used for party political purposes.

- (c) In order to provide effective assistance to the Mayor, officers appointed directly by the Mayor should work closely with the senior managers in the Authority and establish relationships of confidence and trust, and should develop effective professional relationships with Members of the Combined Authority Board.
- (d) Any individual terms and conditions agreed as part of the interview process cannot amend or preclude these terms and conditions but additional terms and conditions may be agreed between the Mayor and the prospective employee, subject to consultation and agreement with the Chief Executive.
- (e) Following receipt of any item or hospitality of a value of £25 or more, all Mayoral appointees should, within 28 days, update the register of gifts and hospitality accordingly. The register will be placed on the CPCA website. The Audit & Governance Committee is responsible for monitoring and reviewing the register through the Annual Governance Statement.
- (f) In advising the Mayor on issues in relation to a particular functional body, Mayoral appointees should be mindful of potential conflicts of interest and the need to register and declare any and all relevant interests.

5. Process for Mayoral appointments

5.1. The following sets out the process which will be applied to the appointment of officers within the Mayoral team:

- (a) Appointments must be made on merit. Recruitment to these posts must be by way of public advertisement and interview.
- (b) The process for selection of suitable candidates must be clear and test that an individual's knowledge, skills, experience and attributes meet the requirements of the role. In order to do this, a job description and person specification will be prepared for each role. An interview process to assess candidates' suitability for the role is required and each candidate must be assessed against

the job description and person specification.

- (c) The Mayor should be satisfied that the individual is competent to perform the required role, based on the contents of the job description and on an assessment of candidates' skills and experience.
- (d) All job descriptions will be evaluated to independently assess the salary level for the role.
- (e) Guidance will be given to candidates during the recruitment and appointment process, and to appointees following their appointment, explaining the implications of these political restrictions.
- (f) Offers of employment will be subject to the standard employment checks.
- (g) The Mayor must report the appointments to the Board at the next scheduled meeting (this has historically been done through a Mayoral announcement at the beginning of the meeting).
- (h) In all other regards, appointees will have the same basic terms and conditions of employment as CPCA staff appointed by the Head of Paid Service.
- (i) In the event that any grievance or disciplinary issue arises in respect of Mayoral appointees this will be considered and, as necessary, investigated through arrangements decided by the Chief Executive, who is responsible for taking any further action as he / she deems necessary.

APPENDICES TO THE CONSTITUTION	TO BE PRESENTED BETWEEN JANUARY – APRIL 2023





Cambridgeshire and Peterborough Combined Authority

The Constitution

(July 2021)

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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
Version 3	30 May 2018	Annual Review of constitution
Version 4	25 July 2018	Updated to include revised portfolios
Version 5	26 September 2018	Updated to include executive committees, scrutiny question time and other matters
Version 6	25 September 2019	Annual Review of constitution and to include revised executive arrangements and other matters
Version 7	24 December 2019	Changes to Page 218, Appendix 5
Version 8	28 May 2020	Change to Page 176 Chapter 18
Version 9	20 July 2020	Change to Page 210, Appendix 4
Version 10	07 August 2020	Appendix 5 – Business Board Constitution approved by Business Board (May 2020) and CA Board (June 2020)
Version 11	1 November 2020	Additions and amendments approved by CA Board (September 2020)
Version 12	21 December 2020	Change to Page 8, Chapter 1, para 19.2 Change to Page 161, Chapter 17, paras 7.5 and 7.6
Version 13	3 February 2021	Change to Page 64, Chapter 8, Section 3. Revised portfolio holders
Version 14	9 March 2021	Updated to exclude references to non-constituent councils and members
Version 15	27 July 2021	16.7 – c deleted (letter only).

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 (Local Enterprise Partnership):
 - 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), local public services, Government departments and agencies, universities and businesses 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:

- (a) a directly elected Mayor;
- (b) an elected Member appointed by each of the Constituent Councils;
- (c) a representative of the Business Board (Local Enterprise Partnership); and
- (d) .

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 - Combined Authority Board Functions](#) of this Constitution, and those reserved to the Mayor as set out in [Chapter 3 - The Mayor of the Combined Authority](#)

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 - Proceedings of Meetings](#) of this Constitution.

6.4. The Board may invite co-opted members to sit on the Board as set out in [Chapter 2 – The Membership of the Combined Authority](#) 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. The Combined Authority has established three executive committees:
- (a) Transport and Infrastructure Committee
 - (b) Skills Committee
 - (c) Housing and Communities Committee
- 7.2. Their functions and terms of reference are set out in [Chapters 8, 9 and 10](#) and the procedure rules are set out in [Chapter 11 - Procedure rules of Executive Committee meetings](#).

8. Working Groups

- 8.1. The Combined Authority may establish informal non-decision making working groups to assist with the delivery of its objectives. The Board has set up a Land Commission as a working group. Its terms of reference are set out in [Appendix 3 - Cambridgeshire and Peterborough Land Commission](#).

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.

Chapter 1 – Summary

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 13 - Overview and Scrutiny Committee](#) and [Chapter 14 - Audit and Governance Committee](#).

11. Independent Commissions

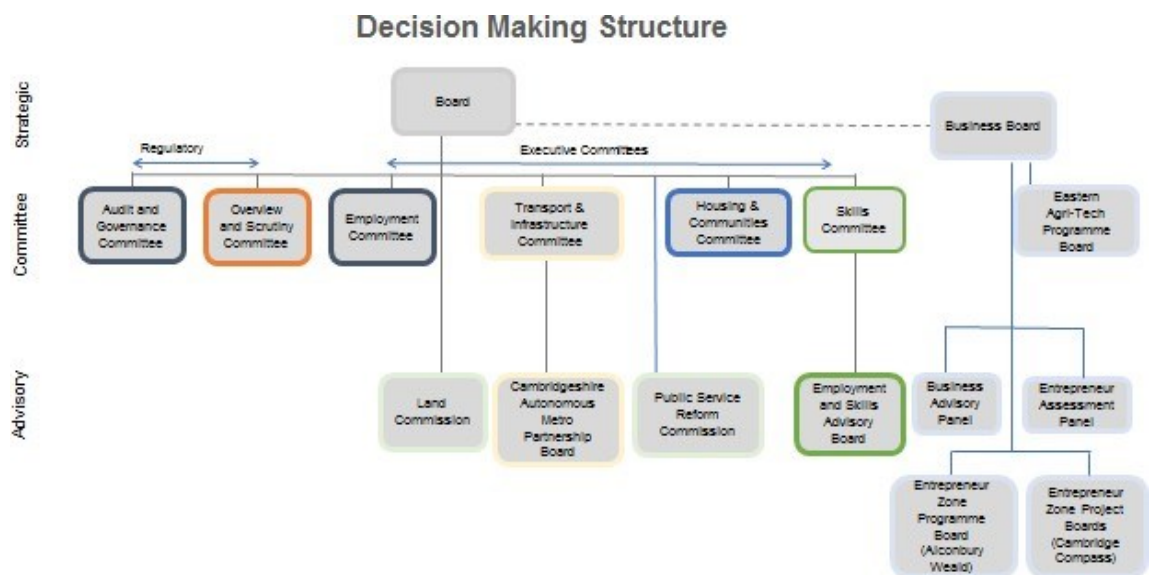
- 11.1. The Combined Authority has established the following independent commission:
 - (a) Public Services Reform and Innovation Commission
- 11.2. The commissions' terms of reference are set out in [Appendix 4 - Public Services Reform and Innovation Commission](#)
- 11.3. The Independent Commissions are independent working groups, are time limited and operate no executive decision making. They report to a public meeting of the Board or a committee nominated by the Board who will consider their recommendations and make any necessary decisions. This ensures that the work of the independent commissions is subject to public oversight and scrutiny.

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 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.

Chapter 1 – Summary

- 12.4. Its terms of reference and governance arrangements are set out in [Appendix 5 - Business Board](#)
- 12.5. The decision-making structure is set out below:



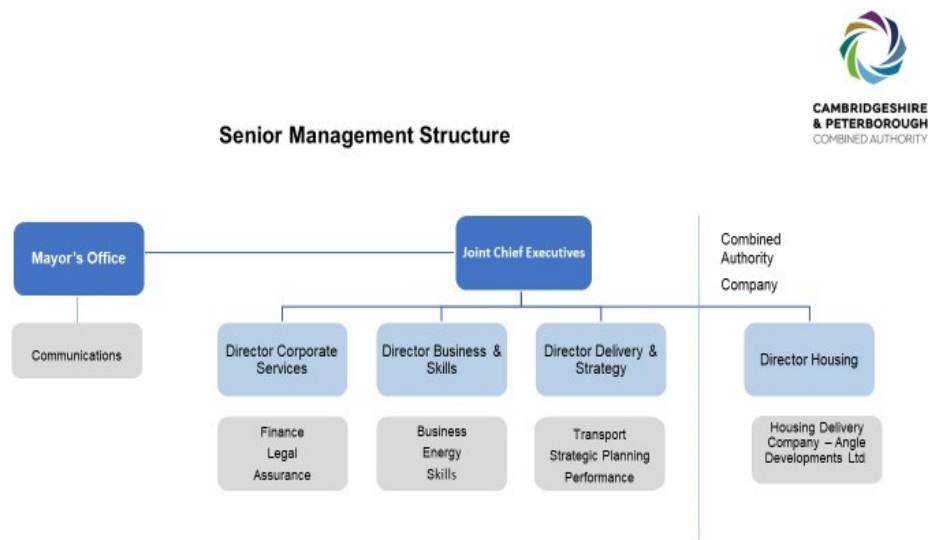
13. Management Structure

Statutory Officers

- 13.1. The Combined Authority will appoint a:
- (a) Head of Paid Service (known as Chief Executive);
 - (b) Monitoring Officer;
 - (c) Chief Finance Officer (S73);
 - (d) Scrutiny Officer.
- 13.2. Their functions and responsibilities are set out in [Chapter 17 - Officer Scheme of Delegation and Proper Officers](#).
- ### Other Chief Officers
- 13.3. The Combined Authority will appoint other Chief Officers it considers necessary to carry out its functions in accordance with the [Chapter 18 - Officer Employment Procedure Rules](#).

Chapter 1 – Summary

13.4. The current structure as at May 2019 is set out below:



13.5. The Mayor has also appointed a Chief of Staff, Mayoral Adviser and Senior Policy Adviser. These officer appointments to the Mayoral Office is subject to the protocol set out in chapter 18 Officer Employment Procedure Rules.

14. Other Staff

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

15. Decision Making

15.1. Decision making will be in accordance with the arrangements set out in this Constitution.

15.2. In summary, they will include

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

15.3. The functions of the Combined Authority may be undertaken by the Board or delegated to executive committees or Officers.

Chapter 1 – Summary

- 15.4. The functions of the Mayor may be undertaken by the Mayor or delegated to individual members and Officers.

16. Finance, Contracts and Legal Matters

- 16.1. The management of the Combined Authority's financial affairs will be conducted in accordance with the Financial Regulations set out in [Chapter 15 - Financial Management Procedure Rules](#).
- 16.2. The management of its legal affairs will be conducted in accordance with this Constitution.

17. Public Rights

- 17.1. The rights of the public are set out in the Transparency Rules, Forward Plan and Key Decision [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#).
- 17.2. Any public enquiries should be addressed to the Chief Executive at the Combined Authority Offices.

18. Monitoring and Reviewing the Constitution

- 18.1. The Monitoring Officer will regularly monitor and review the operation of the Constitution.
- 18.2. The Chief Finance Officer shall be responsible for monitoring and keeping under review the Financial Regulations set out in the Constitution.
- 18.3. It is the responsibility of the Combined Authority Board to review the Constitution annually.

19. Changes to the Constitution

- 19.1. The Constitution will be amended as the Combined Authority develops.
- 19.2. Changes to the Constitution will be agreed by the Combined Authority Board in accordance with the voting arrangements as set out in [Chapter 5 - Proceedings of Meetings](#) unless in the reasonable opinion of the Monitoring Officer a change is required in the circumstances set out in his/her delegated powers. [Chapter 17 - Officer Scheme of Delegation and Proper Officers](#)

Chapter 1 – Summary

20. The Common Seal of the Combined Authority

- 20.1. The Common Seal of the Combined Authority will be kept in a safe place in the custody of the Monitoring Officer. A decision of the Combined Authority, or any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed. The affixing of the Common Seal will be attested by the Monitoring Officer or some other person authorised by the Monitoring Officer.

Chapter 2 - The 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

Chapter 2 – The Membership of the Combined Authority

the end of fourteen days from the date on which the notice was given, or such longer period not exceeding one month¹.

3. Business Board (Local Enterprise Partnership)

31. The Business Board 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).
32. The Combined Authority will consider the nomination and appoint the Business Board Member and the Business Board Substitute Member. Each appointment shall be for a one-year term.
33. 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 that nominated them. The Business Board shall appoint or nominate a replacement as soon as possible.
34. A Member or Substitute Member may resign by giving written notice to the Chair or Vice-Chair of the Business Board, and the resignation takes effect on the receipt of the notice. The Business Board shall notify the Combined Authority forthwith of the resignation.
35. Where the Business Board 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.
36. The Combined Authority must consider the appointment of the nominated Business Board 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.

4. Co-opted Members

- 4.1. 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.

¹ Cambridgeshire and Peterborough Combined Authority Order 2017

Chapter 2 – The Membership of the Combined Authority

42. 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.
43. Co-opted Members appointed to the Board are listed in [Appendix 2 - Co-opted Members](#) to this Constitution.
44. 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.
45. 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 two working days prior to attendance at any meeting of the Board.
46. 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.
47. 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 nominate lead member responsibilities, the membership and chairs of executive committees 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 (see para 1.6 below); and
 - (c) the Mayor will also be a member of the Business Board recognising the importance of the Business Board'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.

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.

- 1.5.3 The Mayor may exercise his/her power to ask the Secretary of State for Transport to make regulations under Section 11 of the Automated and Electric Vehicle Act 2018 requiring large fuel retailers and service area operators to provide public charging points and to ensure that public charging points are maintained and easily accessible to the public.

The power would be limited to large fuel retailers in the area within their authority.

Nominations to Lead Member Responsibilities and to Executive Committees

- 1.6. The Mayor and the Combined Authority Board shall agree lead member responsibilities in respect of the Combined Authority functions.
- 1.7. The Mayor shall nominate the agreed lead member responsibilities and membership (including the chair) of any executive committees to any

Chapter 3 – The Mayor of the Combined Authority

member of the seven Constituent Councils. Board members nominated to an executive committee may nominate their substitute member on the Board or another member from a constituent council to be a member of the committee. The Board member shall also nominate a named substitute member.

- 1.8. The nominations to lead member responsibilities and the nominated membership and chairs of any executive committees shall be reported to the Combined Authority Board for formal approval by a simple majority vote which must include the Mayor.
- 1.9. Lead member responsibilities are set out in Appendix 1.

Mayor's budget and spending plans

- 1.10. 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 - Budget Framework Procedure Rules](#))
- 1.11. Any Mayoral budget, strategies and spending plans must be approved by the Combined Authority Board in accordance with the special voting rules.

Deputy Mayor

- 1.12. 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;
 - (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.
- 1.13. 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.
- 1.14. If the Mayor is unable to act or the office of Mayor is vacant; and the

Chapter 3 – The Mayor of the Combined Authority

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.

- 1.15. For reasons of good governance, the Mayor may appoint a second non-statutory Deputy Mayor from amongst the Constituent Council members as he/she thinks appropriate.
- 1.16. 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.
- 1.17. 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.

2. Delegation of Functions reserved to the Mayor

- 2.1. 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.
- 2.2. The Mayor shall produce a scheme of delegation for any delegated functions.
- 2.3. 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).

3. Mayoral Decisions

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

Chapter 4 - Combined Authority Board Functions

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) The Mayor's growth ambition statement;
- (b) Business Plan;
- (c) Business cases for key priority projects identified in the Business Plan;
- (d) Local Industrial Strategy;
- (e) Local Transport Plan;
- (f) Bus Strategy;
- (g) Approval of the key route network;
- (h) Skills Strategy;
- (i) Housing Strategy;
- (j) Investment Strategy;
- (k) Non-Statutory Strategic Spatial Plan;
- (l) Market Town Masterplans for Growth;
- (m) Business Plan, Annual Accounts and Shareholders Agreement for Cambridgeshire and Peterborough Combined Authority Holding Company;
- (n) 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) Monitoring & Evaluation Framework.

Financial Matters

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

Chapter 4 - Combined Authority Board Functions

- (a) The non-mayoral Combined Authority budgets;
 - (b) Approval of carry forward of any underspent balances between financial years;
 - (c) Annual spending plans for the allocation of transport-related funding;
 - (d) Treasury Management Strategy including approval of borrowing limits;
 - (e) Medium Term Financial Plan and Capital Programme
 - (f) Fiscal Strategy to reflect any taxation proposals, such as Business Rates, Local Taxation, and to approve any requests to Government for additional powers.
- 1.5. Consultation on the allocation of Local Highways Maintenance Capital Grant
- 1.6. Approve budget allocations for feasibility work from the non-transport feasibility fund
- 1.7. Approve business cases and loans to third party businesses including wholly owned subsidiaries;
- 1.8. Approve applications to bid for external funding where there are wider budgetary implications, or the bid relates to a matter outside the strategic framework.
- 1.9. Approval of virements of £500k and over;
- 1.10. 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

Accountable Body

- 1.11. Auditing decisions for funding approved by the Business Board for Local Growth Funds, Growth Hub funding, Energy Hub funds and Enterprise Zones funds.

Chapter 4 - Combined Authority Board Functions

Governance

- 1.12. 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) Approve the nomination of lead member responsibilities and membership and chairs of executive committees and sub-committees upon recommendation from the Mayor;
 - (e) Approval of Mayoral Allowance and any other allowance schemes;
 - (f) Appointment of an Independent Person of the Audit and Governance Committee;
 - (g) Appointment of Statutory Officers;
 - (h) Delegation of functions to third parties;
 - (i) Establishment of Trading Companies;
 - (j) Any other matters reserved to the Board.
- 1.13. 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.
- 1.14. The Combined Authority Board shall have the power to reserve decisions to itself which would otherwise be taken by the Executive Committees.

2. Membership of the Board

- 2.1. The Combined Authority Board consists of the Members as set out below:
- (a) The Mayor, or deputy Mayor acting in his/her absence
 - (b) An elected Member appointed by each of the Constituent Councils or Substitute Members acting in their place;
 - (c) A Representative of the Business Board or Substitute Members acting in their place;
 - (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 Board.

Chapter 4 - Combined Authority Board Functions

3. Functions of the Combined Authority

- 3.1. The functions of the Combined Authority are grouped into lead member responsibilities, allocated to Constituent Council Members of the Combined Authority and include the following responsibilities:
- (a) To lead and champion their allocated lead member functions;
 - (b) To act as key spokesperson for the Combined Authority within their respective Constituent Councils
 - (c) To chair and lead a committee where established;
 - (d) To provide leadership for officers on the development of key strategic documents or investment proposals for approval by relevant committees or the Combined Authority Board;
 - (e) To provide leadership for their geographical area within the collective Combined Authority into future devolution proposals and public sector reform;
 - (f) To liaise with Members holding similar lead member responsibilities within the Constituent Councils.
 - (g) To lead on the development of key strategic documents for approval by the Combined Authority;
 - (h) To develop and present investment proposals to the Combined Authority;
 - (i) To communicate with the public on matters within their portfolios and to be accountable for their portfolio areas;
 - (j) To input into future devolution proposals and public sector reform.
- 3.2. The Portfolios are set out in Appendix 1 – Lead Member Responsibilities.

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. The Board cannot delegate its functions to individual members of the Board.

Working Groups

- 4.2. The Combined Authority may establish informal working groups. These groups are non-decision making groups of Officers and Members. The

Chapter 4 - Combined Authority Board Functions

Combined Authority has established the Land Commission as a working group of the Combined Authority. The terms of reference are set out in [Appendix 3 - Cambridgeshire and Peterborough Land Commission](#).

Membership

- 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. In accordance with Chapter 3, the Mayor shall nominate the membership and chairs of any executive committees to the Board for approval.
- 4.4. The political balance rules apply to all committees, sub-committees and joint committees where political groups are formed. Where political groups are not formed the Combined Authority has agreed that at least one member of a party not of the same political affiliation as the Mayor shall be appointed to all committees.
- 4.5. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by Board members during the municipal year to ensure there is a full complement of members or substitute members at committee meetings. The new appointment shall take effect after the nomination has been approved by the Monitoring Officer.

Quorum

- 4.6. 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 three Members.

Access to meetings

- 4.7. The Transparency Rules, Forward Plan and Key Decisions apply to all committees, sub-committees and joint committees. ([Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#)). They do not apply to working groups and commissions.

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. For as long as the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 or other legal provision having a like effect remain in force the Virtual/Hybrid Meeting Protocol at Annex 1 to this Chapter shall apply and any conflict between the Protocol and this Chapter shall be resolved in favour of the Protocol.
- 1.2. These rules apply to Combined Authority Board meetings and, subject to the limitations set out in section 8 of Chapter 11 of this Constitution [Procedure Rules of Executive Committees], 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 (and their Substitute Members);
 - (ii) receive any declarations of interest from Members;
 - (iii) approve minutes of the last meeting;
 - (iv) appoint any or Co-opted Members;

Chapter 5 – Proceedings of Meetings

- (v) approve lead members 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 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;

Chapter 5 – Proceedings of Meetings

- (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.
- 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 - Transparency Rules, Forward Plan and Key Decisions](#) .

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 three 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

Chapter 5 – Proceedings of Meetings

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

- 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 - Transparency Rules, Forward Plan and Key Decisions](#))

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.

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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 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, or if for any reason
 - (a) the Mayor is unable to act, or the office of Mayor is vacant, and
 - (b) the deputy Mayor is unable to act, or the office of deputy Mayor is vacant,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.

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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, 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.
- 13.8. If an amendment is moved the mover of the original motion has the right of reply on the debate concerning the amendment.

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- 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 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.
- 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.

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- 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;
 - (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.

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- 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.
- 16.6. If for any reason:
- (a) the Mayor is unable to act, or the office of Mayor is vacant, and
 - (b) the deputy Mayor is unable to act, or the office of deputy Mayor is vacant, the other members of the combined authority must act together in place of the Mayor taking decisions by a simple majority.

Special Voting

- 16.7. A decision on a question relating to:
- (a) amendments to the Constitution;
 - (b) determining a request by an organisation to become a Co-opted Member on the Combined Authority Board;
- requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) present and voting.

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

Voting on the Mayoral Matters

16.9. 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).

16.10. 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

16.11. A Member may ask immediately after the vote is taken, that their vote is recorded in the minutes of the relevant meeting.

16.12. Where Members vote on the budget, the vote will be recorded.

Voting on Appointments

16.13. 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

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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.
- 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.
- 18.2. 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 at Combined Authority Board meetings, including at an Extraordinary Meeting, or at an Executive Committee. For Extraordinary Meetings, the question must relate to the item on the agenda.

Questions by the Members

- 18.3 The Overview and Scrutiny Committee has adopted a pre-scrutiny model whereby it meets before every Combined Authority Board meeting to scrutinise the Board's agenda. At this meeting, the Committee shall discuss and formally agree by means of a vote a list of questions to be raised at the next Combined Authority Board meeting following discussion with officers and relevant executive board members. The agreed list of questions shall be raised by the Chair, on behalf of the Committee, at the next Combined Authority Board meeting.

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- 18.4 Members of Constituent Councils should submit any questions on items on the Combined Authority Board agenda to the Overview and Scrutiny Committee scrutinising that Board agenda. Requests to speak at meetings of the Combined Authority Board on items on the Board's agenda will then be at the discretion of the Mayor.
- 18.5 Members of Constituent Councils may also ask questions of a Member of the Combined Authority at executive committees.
- 18.6 Members of Constituent Councils may ask questions of a Member of the Combined Authority at a Combined Authority Board meeting, including at an Extraordinary Meeting, provided the question is not substantially the same as a question which has been put to the Board by the Chair of the Overview and Scrutiny Committee or one of its Executive Committees.

Time Limit

- 18.7 The total time allocated for questions by the public and Members 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

- 18.8 Questions raised by the Chair of Overview and Scrutiny Committee will be taken first at the relevant item followed by questions submitted by the public. Priority will be given to questions on items on the agenda for the meeting, or issues where decisions are expected before the next meeting. Questions will be taken at the meeting in the order in which they were received.

Notice of Questions

- 18.9 A question may only be asked if it has been submitted 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 address and contact details of the questioner, the name of the organisation if the question is being asked on their behalf, details of the question to be asked, and the name of the Member of the Combined Authority Board to whom it is to be put.

Number of Questions

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

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Scope of Questions

- 18.11 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 Combined Authority staff;
 - (c) is substantially the same as a question which has been put at a meeting of the Combined Authority Board or an executive committee in the past year;
 - (d) is substantially the same as a question which has been put at a meeting of the Combined Authority Board by the Chair of the Overview and Scrutiny Committee; or
 - (e) 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

- 18.12 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.
- 18.13 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

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

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Supplementary Questions

- 18.15 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 and must not introduce new material. One minute is allowed for putting the supplementary question.

Answers

- 18.16 Up to two minutes are allowed for answering a question or supplementary question. Any question which cannot be dealt with 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 not be heard further. If seconded, the motion will be voted on without discussion.

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 the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

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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.
- 21.2. The Protocol on the Webcasting of Meetings which forms Annex 2 to this Chapter shall apply to the webcasting of the meetings of the Combined Authority and its committees.

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

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

Annex 1 Virtual/Hybrid Meeting Protocol

1. Introduction

- 1.1. [Local Authorities and Police and Crime Panels \(Coronavirus\) \(Flexibility of Local Authority and Police and Crime Panel Meetings\) \(England and Wales\) Regulations 2020](#) make provision for remote attendance at, and remote access to Local Authority meetings held on or before 7 May 2021.
- 1.2. The Regulations enable a Local Authority to hold meetings without all, or any, of the members being physically present in a room. They allow for remote meetings through electronic and digital means at virtual locations using video and telephone conferencing, live webcast and live interactive streaming.
- 1.3. The “place” at which the meeting may be held may be a council building, or where the organiser of the meeting is located, or an electronic, digital or virtual location, a web address or a conference call telephone number.
- 1.4. In order for members to be able to attend meetings of the local authority remotely, they need not be physically present, provided they are able to hear and be heard (and where practicable, see and be seen by) other councillors and members of the public attending remotely or in person.
- 1.5. While the procedure rules in this protocol take precedence over the Combined Authority standing orders in relation to the governance of remote meetings, all other current standing orders not mentioned in the protocol remain effective.
- 1.6. In line with the Regulations, this protocol is designed to provide a guide to virtual formal committee meetings involving Members, officers and the public during the Covid-19 crisis. It will be kept under regular review.

2. Decisions of Formal Meetings of the Combined Authority

- 2.1. Monitoring or information items will be circulated to the relevant committee via e-mail outside of formal meetings.

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3. Meetings of the Combined Authority Board, Executive Committees, Overview & Scrutiny Committee and Audit & Governance Committee

- 3.1. Meetings will take place using the Zoom software platform. A detailed briefing note for the Chair to manage the meeting electronically will be provided. Confidential items may take place using a different software platform.

Public Questions

- 3.2. The Combined Authority will continue to take questions from the public as set out in the Constitution. The member of the public asking the question will receive access details from the meeting clerk hosting the meeting to access the Zoom meeting.

Petitions

- 3.3. During the Covid-19 crisis it will not be possible to accept paper petitions. An electronic petition will be acceptable provided it meets the requirements as set out in the Constitution. The member of the public presenting the petition will receive access details from the meeting clerk hosting the meeting to access the Zoom meeting.

Voting

- 3.4. Voting will be managed by the Chair supported by the meeting clerk. If an item requires a recorded vote, or if problems arise with the electronic poll system, the Chair will ask all Members to turn their microphones on. The Chair will then read out the name of each Member in turn in alphabetical order and ask them how they wish to vote. Once a Member has given their vote then microphones should be muted again. The meeting clerk will record the outcome of the voting and announce it upon conclusion of the voting procedure. If an item does not appear to be contentious, the Chairman will ask Members whether any Member disagrees or wishes to abstain. This will be actioned by the Member clicking on the “raise your hand” icon. If nobody objects the motion will be taken as carried.

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4. Running a virtual meeting

Members Joining a Virtual Meeting

- 4.1. Members are encouraged to join the meeting promptly (ie at least 10 minutes before the scheduled start time) in order to resolve any issues with joining and avoid disrupting the meeting. The Chair will remind councillors to mute their microphones when not speaking. This is done in order to reduce feedback and background noise.

Access to documents

- 4.2. The Combined Authority will publish the agenda and reports for committee meetings on the Council's website and will notify councillors by email. Printed copies will not be circulated and nor will they be available for inspection at the Council's offices.

Public Access

- 4.3. The following wording will be added to the Combined Authority's website as well as to the meeting page for each committee meeting.

Due to Government guidance on social-distancing and the Covid-19 virus it will not be possible to hold a physical meeting of the XXX on XXX. Arrangements are being made for the press and public to follow the decision-making via Zoom. Details of how to watch the meeting will be published at the foot of the meeting page under the 'meeting documents' heading.

The requirement to ensure meetings are open to the public includes access by remote means, including video conferencing, live webcast and live interactive streaming. Where a meeting is accessible to the public through such remote means, the meeting is open to the public whether or not members of the public are able to attend the meeting in person.

Recording Meetings

- 4.4. The Zoom software platform has a facility for recording meetings. All virtual meetings will be recorded.

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Registering Attendance and Meeting Etiquette

- 4.5. At the start of the meeting, the Chair will carry out a roll call of all Members present. Confirmation will be given by each Member switching their video on and unmuting their microphone to confirm they are present.
- 4.6. All Members and officers except the Chairman are asked to keep their microphones on mute unless invited to speak. Any Member returning after a disconnection is asked not to interrupt when returning to announce their return.

Protocol for councillors speaking at meetings

- 4.7. Members who wish to speak during a meeting will need to click on the “raise your hand” icon. The Chair may ask each person in turn if they have any points they wish to raise on a particular item before completing the discussion on that item. When referring to reports or making specific comments, councillors should refer to the report and page number in the agenda document pack so that all Members have a clear understanding of what is being discussed at all times.

Dealing with technical difficulties

- 4.8. In the event that the Chair or the meeting clerk hosting the meeting identifies a failure of the remote participation facility, the Chair may declare an adjournment while the fault is addressed.
- 4.9. If it is not possible to address the fault and the meeting is inquorate, the meeting will be abandoned until such time as it can be reconvened. If the meeting is quorate, the Chair will decide if this meeting should continue, depending on the difficulties being experienced, or whether it should be adjourned until a later time or date.

Annex 2 Protocol on the Webcasting of Meetings

General

- 1.1. The Combined Authority has agreed that meetings of the Combined Authority Board, Executive Committees, Audit & Governance Committee and Overview & Scrutiny Committee can be transmitted live on the internet (webcast), and the recordings made available on the website for 12 months.
- 1.2. Other meetings may also be webcast, as and when required, subject to the approval of the Chairman and members present. Fixed cameras will be located in meeting rooms for this purpose. This protocol has been produced to assist the conduct of webcast meetings and to ensure that in doing so the Combined Authority is compliant with its obligations under the Data Protection Act 1998 and the Human Rights Act 1998. Accordingly, the following will apply to all meetings to be webcast by the Council:
 - (a) The Mayor/Chairman of the meeting has absolute discretion to terminate or suspend the webcast at any time and for any reason which the Mayor/Chairman deems reasonable. This may include public disturbance or other disruption of the meeting.
 - (b) No exempt or confidential agenda items shall be webcast and no part of any meeting will be webcast after the Council has voted to exclude the press and public because there is likely to be disclosure of exempt or confidential information.
 - (c) Subject to (d) below, all archived webcasts will be available to view on the Council's website for a period of 12 months.
 - (d) Archived webcasts or parts of webcasts may be removed from the Council's website if, in the reasonable opinion of the Monitoring Officer, it may prejudice the Council's or the public's interests. Content may also be removed if the Monitoring Officer considers it necessary because all or part of the content of the webcast is or is likely to be in breach of any statutory provision or common law, for example Data Protection and Human Rights legislation or provisions relating to confidential or exempt information.

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- (e) If the Monitoring Officer has decided to take such action he/she/they must notify all elected Members in writing as soon as possible of his/her decision and the reasons for it. Council anticipates that the need to exercise this power will occur only on an exceptional basis.
 - (f) Any elected Member who is concerned about any webcast should raise their concerns with the Monitoring Officer.
 - (g) At the start of each meeting to be recorded, an announcement will be made to the effect that the meeting will be webcast and the Mayor/Chairman will make the following statement: 'May I remind everyone present that this meeting will be broadcast live via the internet and the record will be archived for future viewing.'
 - (h) As part of the process for asking public questions residents will be advised that the meeting will be streamed on the internet and a copy of the meeting retained on the website. If an attendee (other than an elected member of the Council) does not wish to be filmed whilst addressing the meeting (unless they are included in the proceedings) ordinarily if members of the public are participating the meeting Clerk will provide advice on the best place to position themselves to ensure no image of the attendee is taken and the webcast operator will focus the camera on the Mayor/Chairman.
 - (i) At the front of each agenda and on signs to be displayed inside and outside the meeting room there will be the following notice:-
WEBCASTING NOTICE Please note: this meeting may be filmed for live broadcast via the Combined Authority's website with recorded content available to view on its website for a period of 12 months.
- 1.3. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If members of the public do not wish to have their image captured they should notify the Mayor/Chairman at the start of the meeting and sit out of range of the cameras.
- 1.4. Any queries regarding the webcasting of meetings should be referred to the Monitoring Officer.

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- 1.5. Members of the public are permitted to film or record Councillors and officers at any Council meetings that are open to the public and press. The Combined Authority permits photography and social media reporting of all its public meetings.

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 is to be carried out.

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

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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 meeting 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 are open to inspection would not provide a reasonably fair and coherent record;
- 7.2. Copies of any agenda, reports or minutes which are open to public inspection will be available for six years after a meeting:

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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.

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.

Chapter 6 – Transparency Rules, Forward Plan and Key Decisions

Meaning of Exempt Information

- 9.5. Exempt information means information falling within the following seven 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.

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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;
 - (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) further notice is made available on the Combined Authority's website at least five 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;
 - (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:

Chapter 6 – Transparency Rules, Forward Plan and Key Decisions

- (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 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;

Chapter 6 – Transparency Rules, Forward Plan and Key Decisions

- (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

Chapter 6 – Transparency Rules, Forward Plan and Key Decisions

- (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.
- 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

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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.

16. Recording of Decisions made by Officers and the Mayor

- 16.1. Where an officer or the Mayor makes a decision, including under specific delegation from a meeting of a decision-making body, the effect of which is
- (a) to grant a permission or licence,
 - (b) to affect the rights of an individual; or
 - (c) to award a contract or incur expenditure which, in either case, materially affects the Combined Authority's financial position,

the decision-making officer must produce a written record of the decision as soon as reasonably practicable after the decision has been made which must contain the following information

- (a) the date the decision was taken,
- (b) a record of the decision taken along with reasons for the decision;
- (c) details of alternative options, if any, considered and rejected; and
- (d) where the decision was made under specific delegation from a decision-making body, the names of any member of the relevant body who has declared a conflict of interest in relation to the decision.

Chapter 6 – Transparency Rules, Forward Plan and Key Decisions

- 16.2. The Combined Authority has determined that where the effect of an officer decision is to award a contract or incur expenditure, the value of the contract or expenditure above which it is to be considered as materially affecting the Combined Authority's position is to be £250,000.
- 16.3. The duty imposed by Procedure Rule 16.1 above is satisfied where, in respect of a decision, a written record, containing the date the decision was taken and the reasons for the decision, is already required to be produced in accordance with statute, and the duty does not require administrative and operational decisions to be recorded.
- 16.4. All written records produced in accordance with Procedure Rule 16.1 above, together with any background papers, must as soon as reasonably practicable after the record is made, be made available for inspection by members of the public:
- (a) at all reasonable hours, at the offices of the Combined Authority; and
 - (b) on the Combined Authority's website.
- 16.5. All written records produced in accordance with Procedure Rule 16.1 above must be retained and made available for inspection by the public for a period of six years beginning with the date on which the decision, to which the record relates, was made.
- 16.6. Any background papers must be retained and made available for inspection by the public for a period of four years beginning with the date on which the decision, to which the background papers relate, was made.
- 16.7. Nothing in Procedure Rules 16.1 to 16.6 requires the disclosure of exempt or confidential information.

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 is 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.

Chapter 7 – Budget Framework Procedure Rules

- 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.

Chapter 7 – Budget Framework Procedure Rules

- 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 (six 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

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 - Combined Authority Board Functions](#), 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.

- 7.1. 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.
- 7.2. 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

Chapter 7 – Budget Framework Procedure Rules

- (c) changes to a policy which would normally be agreed annually or periodically by the Mayor or Combined Authority Board following consultation, but where the existing policy document is silent on the matter under consideration.

Chapter 8 - Transport and Infrastructure Committee

1. Governance

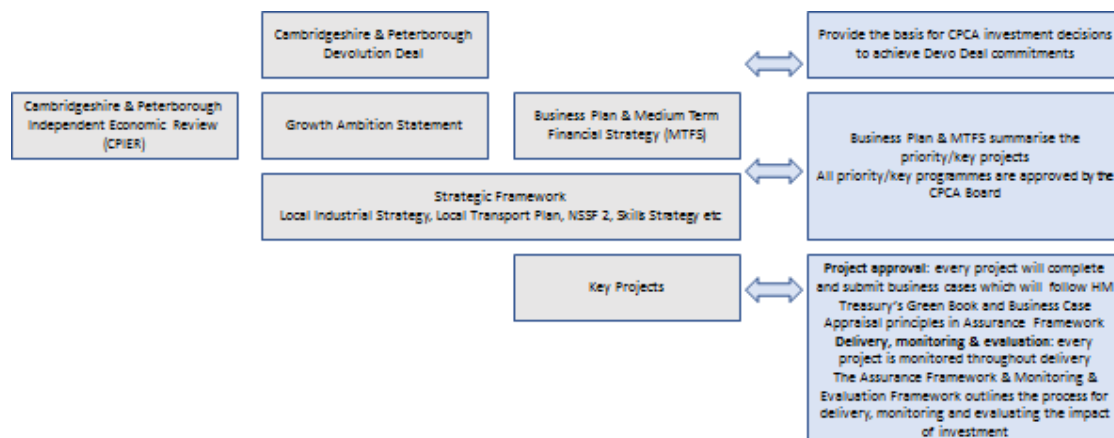
- 1.1. The Combined Authority has appointed a Transport and Infrastructure Committee. The committee is an executive committee of the Combined Authority Board. It takes decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

2. Introduction

- 2.1. The Transport and Infrastructure Committee operates within the terms agreed by the Combined Authority Board.
- 2.2. The Combined Authority Board retains responsibility for agreeing its strategies, key priorities and the budget as set out in Chapter 4 of the Constitution (for example Annual Business Plan, Medium Term Financial Strategy Local Transport Plan and Bus Strategy). These are known as 'reserved matters' or "the budget and policy framework".
- 2.3. The committee has responsibility for agreeing transport and infrastructure programmes and projects within the budget and policy framework.
- 2.4. The committee shall have responsibility for ensuring all programmes and projects comply with the Assurance Framework, and that they are monitored and evaluated in accordance with the Monitoring and Evaluation Framework.
- 2.5. The committee can initiate proposals for the Combined Authority Board to consider.
- 2.6. The committee shall apply the weighted voting rights that the Combined Authority Board applies to transport matters as set out in the committee procedure rules.

Chapter 8 - Transport and Infrastructure Committee

2.7. The budget and policy framework is summarised below:



3. Terms of Reference

Functions

3.1. The Transport and Infrastructure Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):

- (1) The Local Transport Plan
- (2) Bus Strategy
- (3) Transport budget, including any transport levy
- (4) Annual programme of strategic transport projects
- (5) Creation of the key route network
- (6) Delegation of passenger transport functions to delivery partners,
- (7) Business Cases for key priority projects identified in the Business Plan or
- (8) Any other matters reserved to the Combined Authority Board

3.2. The committee shall exercise the Combined Authority's functions for the following:

- 3.2.1. Oversee the development and maintenance of the Local Transport Plan and Bus Strategy and any other key strategies reserved to the Combined Authority Board, including overseeing consultation and engagement processes, and making recommendations to the Board.
- 3.2.2. Oversee the development of all business cases for key priority projects as identified in the Business Plan. All business cases for

Chapter 8 - Transport and Infrastructure Committee

priority projects require Cambridgeshire and Peterborough Combined Authority Board approval.

- 3.2.3. Approve the commissioning of feasibility studies to be funded from the transport feasibility study fund. This is unallocated budget for in-year determination of spend.
- 3.2.4. Ensure all programmes and projects are within the scope of the strategic and budget framework approved by the Board.
- 3.2.5. Oversee the development and approve transport policies and programmes not reserved to the Combined Authority Board.
- 3.2.6. When appropriate, ensure effective engagement and consultation is in place and can be evidenced.
- 3.2.7. Approve the commissioning of delivery partners where this is required and authorise the staged release of budget for transport and infrastructure projects in the Business Plan and funded from allocation within the Medium Term Financial Plan.
- 3.2.8. Monitor the delegation of passenger transport functions to delivery partners.
- 3.2.9. Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.
- 3.2.10. Monitor agreements with the Minister or strategic highways companies for the exercise of functions relating to the strategic network.
- 3.2.11. Oversee strategic relationships with national bodies (Network Rail), utility providers and other key stakeholders.
- 3.2.12. Matters initiated by the committee can be referred up to the Board for decision.

Chapter 8 - Transport and Infrastructure Committee

3.2.13. Review matters related to the CAM scheme prepared by the Greater Cambridge Partnership and make representations to the GCP Executive Board related to CAM matters.

3.2.14. The Combined Authority Board may decide to refer further individual matters to the committee.

4. Strategic and Budget Framework

4.1. The Committee should ensure schemes contribute and meet the targets in the agreed strategic and budget framework. Any decisions must be within the parameters agreed by the Board.

5. Accountability

5.1. The Committee is accountable to the Combined Authority Board.

6. Membership

6.1. The Transport and Infrastructure Committee shall comprise eight members to include the Mayor or his/her nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.

6.2. Where the Mayor does not take up his/her appointment on a committee. The membership shall be seven members comprising a Board member from each of the seven constituent councils or their nominees.

6.3. The Combined Authority Board shall appoint the committee and substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to executive committees. See also Chapter 11, paragraph 2 of the procedure rules of executive committees and Chapter 4 paragraph 4.4.

Chapter 8 - Transport and Infrastructure Committee

- 6.4. Co-opted Members of the Combined Authority Board should receive an open invite to all executive committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in chapter 2 paragraph 5 of the constitution apply to committees.

7. Voting

- 7.1. Weighted voting rights apply to all transport related decisions and transport funding as set out in paragraph 3 of [Chapter 11 - Procedure rules of Executive Committee meetings](#).

8. Lead Director

- 8.1. The Lead Director for the Committee is:
- (a) Director Delivery & Strategy

9. Working Groups

- 9.1. The Committee may establish informal working groups to assist with the delivery of its objectives. These groups are non-decision making groups of Officers and Members.
- 9.2. The remit and terms of reference for any such subordinate body shall be approved by the committee.
- 9.3. The following groups have been established:
- (a) Cambridgeshire Autonomous Metro (CAM) Partnership Board
 - (b) Bus Review Task Group

Chapter 9 - Skills Committee

1. Governance

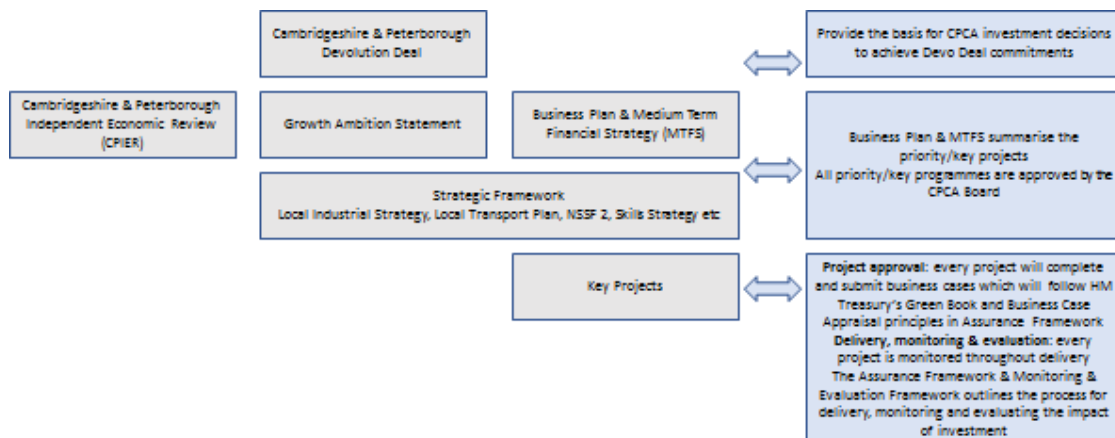
- 1.1. The Combined Authority has appointed a Skills Committee. The committee is an executive committee of the Combined Authority Board. It takes decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

2. Introduction

- 2.1. The Skills Committee operates within the terms agreed by the Combined Authority Board.
- 2.2. The Combined Authority Board retains responsibility for agreeing its strategies, key priorities and the budget as set out in Chapter 4 of the Constitution (for example Annual Business Plan, Medium Term Financial Strategy and Skills Strategy). These are known as 'reserved matters' or "the budget and policy framework".
- 2.3. The committee has responsibility for agreeing education and skills programmes and projects within the budget and policy framework.
- 2.4. The committee shall have responsibility for ensuring all programmes and projects comply with the Assurance Framework, and that they are monitored and evaluated in accordance with the Monitoring and Evaluation Framework.
- 2.5. The committee can initiate proposals for the Combined Authority Board to approve.
- 2.6. The committee is responsible for overseeing the work of the Employment and Skills Board, an advisory panel of the Skills Committee, and any sub-groups set up by the Board.

Chapter 9 – Skills Committee

2.7. The budget and policy framework is summarised below:



3. Terms of Reference

Functions

3.1. The Skills Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):

- (1) Skills Strategy
- (2) Projects to be included in the Business Plan and Medium Term Financial Plan
- (3) Business cases for key priority projects identified in the Business Plan or
- (4) Any other matters reserved to the Combined Authority Board

3.2. The Skills Committee shall exercise the Combined Authority's functions for the following:

- 3.2.1. Oversee the development and maintenance of the Skills Strategy and any other strategies reserved to the Combined Authority Board, including overseeing consultation processes, and making recommendations to the Board.
- 3.2.2. Oversee the development of all business cases for key priority projects identified in the Business Plan.

Chapter 9 – Skills Committee

- 3.2.3. Ensure all programmes and projects are within the scope of the strategic and budget framework approved by the Board.
- 3.2.4. Approve the commissioning of delivery partners where this is required and authorise the staged release of budget for education and skills projects in the Business Plan and funded from Medium Term Financial Plan.
- 3.2.5. Oversee the development and approve all other education and skills programmes and projects not reserved to the Combined Authority Board.
- 3.2.6. Ensure effective engagement and consultation is in place and can be evidenced.
- 3.2.7. Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.
- 3.2.8. Oversee coordination with:
 - (a) Department of Work and Pensions on the Work and Health Programme and
 - (b) Department for Education on the Opportunity Area programme.
- 3.2.9. Oversee the delivery of the Health and Care Sector Work Academy (Innovation Pilot)
- 3.2.10. Matters initiated by the committee can be referred up to the Board for decision.
- 3.2.11. The Combined Authority Board may decide to refer further individual matters to the committee.

Chapter 9 – Skills Committee

4. Strategic and Budget Framework

- 4.1. The Committee should ensure schemes contribute and meet the targets in the agreed strategic and budget framework. Any decisions must be within the parameters agreed by the Board.

5. Accountability

- 5.1. The Committee is accountable to the Combined Authority Board.

6. Membership

- 6.1. The Skills Committee shall comprise eight members to include the Mayor or his/her nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.
- 6.2. Where the Mayor does not take up his/her appointment on a committee. The membership shall be seven members comprising a Board member from each of the seven constituent councils or their nominees.
- 6.3. The Combined Authority Board shall appoint the committee and substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to executive committees. See also Chapter 11, paragraph 2 of the procedure rules of executive committees and Chapter 4 paragraph 4.4.
- 6.4. Co-opted Members of the Combined Authority Board should receive an open invite to all executive committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in chapter 2 paragraph 5 of the constitution apply to committees.

Chapter 9 – Skills Committee

7. Lead Director

7.1. The Lead Director for the Committee is:

- (a) Director Business and Skills

8. Working Groups

8.1. The Committee may establish informal working groups to assist with the delivery of its objectives. These groups are non-decision making groups of Officers and Members.

8.2. The remit and terms of reference for any such subordinate body shall be approved by the committee.

8.3. The following group has been established:

- (a) **Employment & Skills Board**

8.4. The terms of reference are set out below:

9. Employment & Skills Board

Governance

9.1. The Combined Authority has appointed an Employment and Skills Board. The Board is an advisory board to the Skills Committee and is the Skills Advisory Panel for the purposes of the governance arrangements for the devolution of the Adult Education Budget. This reflects the requirement to provide an inclusive, advisory role for the Combined Authority, Employers, Providers and Customers.

Terms of Reference

9.2. Provide strong leadership on skills in the local area, engaging with employers and providers and providing skills advice to the accountable board of the Combined Authority's Skills Committee.

Chapter 9 – Skills Committee

- 9.3. Advise on the strategic direction, determine priorities and monitor progress of the devolved Adult Education Budget.
- 9.4. Develop a clear understanding of current and future local skills needs and the local labour market as well as the present skills and employment support provision in the local area.
- 9.5. Focus on the needs of future learners and employers which have been identified by local partners, including colleges, university providers and employers.
- 9.6. Establish systems to ensure the student voice is heard.
- 9.7. Raise the profile of apprenticeships with local employers and providers.
- 9.8. Work closely with careers advisory services to ensure that learners are informed about potential career routes within a local area, and that all careers information and guidance is informed by up-to-date local labour market information.
- 9.9. Be underpinned by a stakeholder group including all providers.
- 9.10. Produce robust, authoritative evidence-based skills & labour market analysis and skills provision in Cambridgeshire & Peterborough.
- 9.11. Build knowledge of the range of both local, regional and national employment provision that exists or is planned.
- 9.12. Present data analysis and share it with the wider employer and provider communities to ensure that their perspective on the local labour market and local employment and skills system is reflected.
- 9.13. Provide analysis to inform the development and the implementation of the 'People' element of the Local Industrial Strategy.

Task & Finish Groups

- 9.14. From time to time it may be necessary to establish a skills task and finish group, and other skills specialists may be invited to join these meetings. Any group would need to be sponsored by an Employment and Skills Board

Chapter 9 – Skills Committee

member, who may or may not chair the group, depending on the issues under consideration. Any discussions or agreed actions will be reported back to the Employment and Skills Board.

Membership

- 9.15. There will be a maximum of 20 members including the Chair. The Chair shall be a private sector member of the Cambridgeshire and Peterborough Combined Authority Business Board or a member of the Skills Committee.
- 9.16. The Board will comprise of at least 10 business people from across the Cambridgeshire and Peterborough Combined Authority area who between them will represent a variety industry sectors, different sizes of businesses, profit, and social enterprise businesses, The Board shall consist of
- (a) employers, those with knowledge and experience of skills and education, and Cambridgeshire & Peterborough representatives;
 - (b) at least three to represent the publicly funded sector of the economy including but not limited to government, NHS, education and training and skills providers;
 - (c) One position will be retained for the Community and Voluntary sector.
- 9.17. When a member is unable to attend a meeting, they may provide a substitute, provided such substitute has delegated authority to represent their organisation. Members are expected to attend at least 70% of meetings.

Role of Employment & Skills Board Members

- 9.18. The specific role of a Board Member is to:
- (a) Use their experience and knowledge to help shape strategy and policy on learning and skills development.
 - (b) Influence the prioritisation, planning and investment in skills supply and the shape of delivery.
 - (c) Support the strategic aims of the Cambridgeshire & Peterborough Business Board.
 - (d) Represent a range of people, organisations or views, not just their own or that of their organisation.

Chapter 9 – Skills Committee

- 9.19. The Board will adopt good practise and its members will act within the General Duties and Obligations set out in its terms of reference and adopt the following values:
- (a) Championing to influence and lead by example
 - (b) Developing enterprising solutions that are creative
 - (c) Partnership working across the private, public and third sector
 - (d) Sharing best practise
 - (e) Being inclusive of each locality and community across Cambridgeshire & Peterborough.
- 9.20. All board members and observers shall be required to comply with the Combined Authority's Code of Conduct and all members and substitute members shall also be required to complete a Declaration of Interest form.

Observers

- 9.21. Specialists may be invited by the Chair to attend specific Board meetings or Agenda items where expertise is required.
- 9.22. Occasional observers may request to attend a meeting through the Chair.

Specialist Forums & Groups

- 9.23. The Cambridgeshire & Peterborough Education and Skills Board has a number of specialist advisory groups that will feed into the decision-making processes. This includes:
- (a) **Existing Provider Forums**; there are a number of existing forums operating within the Cambridgeshire & Peterborough Combined Authority area, and these can be supported to articulate a voice on skills to the Employment and Skills Board.
 - (b) **An Adult Education Budget Skills Group**; a specialist group for Adult Education Budget funding only with the twelve (12) identified grant funded institutions indigenous or contiguous to the Cambridgeshire & Peterborough Combined Authority area.

Chapter 9 – Skills Committee

- (c) [A Data Analysis Group](#); formed to provide an analysis of the local skills and labour markets to develop robust Labour Market Intelligence.

These Forums will be working groups of the Cambridgeshire & Peterborough Education and Skills Board. These forums are advisory and non-decision making.

9.24. The Forum(s) will:

- (a) Provide a voice about the Skills Funding system.
- (b) Advise the Education and Skills Board on matters of vocational training and employment scheme delivery.
- (c) Advise the Employment and Skills Board on short, medium and long-term strategies associated with skills funding.
- (d) Identify freedoms, flexibilities, and improvements that could be made to government and local funded training provision so that the Employment and Skills Board can promote changes that will improve local provision.

Chapter 10 - Housing and Communities Committee

1. Governance

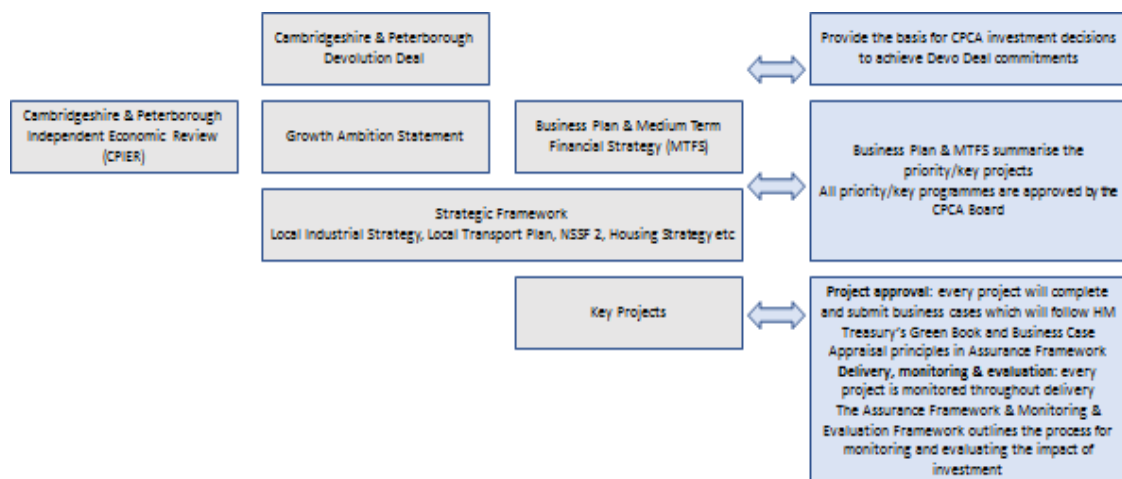
- 1.1. The Combined Authority has appointed a Housing and Communities Committee. The committee is an executive committee of the Combined Authority Board. It takes decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

2. Introduction

- 2.1. The Housing and Communities Committee operates within the terms agreed by the Combined Authority Board.
- 2.2. The Combined Authority Board retains responsibility for agreeing its strategies, key priority projects and the budget as set out in Chapter 4 of the Constitution (for example Annual Business Plan, Medium Term Financial Strategy and the Housing Strategy). These are known as 'reserved matters' or "the budget and policy framework".
- 2.3. The Committee has responsibility for agreeing housing and community policies and projects within the budget and policy framework set by the Combined Authority Board.
- 2.4. The Committee shall have responsibility for ensuring all programmes and projects comply with the Assurance Framework, and that they are monitored and evaluated in accordance with the Monitoring and Evaluation Framework.
- 2.5. The Committee can initiate proposals for the Combined Authority Board to consider.

Chapter 10 – Housing and Communities Committee

2.6. The budget and policy framework is summarised below:



3. Terms of Reference

Functions

3.1. The Housing and Communities Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):

- (1) Housing Strategy
- (2) Any other matters reserved to the Combined Authority Board.

3.2. The committee shall exercise the Combined Authority's functions for the following:

- 3.2.1. Oversee the development and management of the Housing Strategy and any other key strategies reserved to the Combined Authority Board, including consultation and engagement processes, and making recommendations to the Board.
- 3.2.2. Oversee the development of, and approve all policies arising from the Housing Strategy.
- 3.2.3. Ensure all programmes and projects are within the scope of the strategic and budget framework approved by the Board.

Chapter 10 – Housing and Communities Committee

- 3.2.4. Ensure effective engagement and consultation is in place and can be evidenced.
- 3.2.5. Approve the commissioning of delivery partners where this is required,
- 3.2.6. Authorise the staged release of budget for housing projects to be funded from:
 - (a) £100m Affordable Housing Programme, allocated for affordable housing within the Cambridgeshire and Peterborough Combined Authority area to include:
 - £60m grant funding
 - £40m revolving funding, allocated to the Housing Company
 - (b) £70m Affordable Housing Programme allocated to Cambridge City Council.
- 3.2.7. Act as Accountable Body for the release of the Housing Infrastructure Funding for the Cambridge Northern Fringe East housing project.
- 3.2.8. Consider the Business Plan, Annual Accounts and Shareholders Agreement for Cambridgeshire and Peterborough Combined Authority Development Company and make recommendations to the Combined Authority Board.
- 3.2.9. Oversee the development and approve all other housing and community programmes and projects not reserved to the Combined Authority Board including but not limited to those relating to:
 - (a) Culture and Tourism
 - (b) Oversee delivery of the Connecting Cambridgeshire Project by Cambridgeshire County Council
- 3.2.10. Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.

Chapter 10 – Housing and Communities Committee

3.2.11. Matters initiated by the committee can be referred to the Board.

3.2.12. The Combined Authority Board may decide to refer further individual matters to the committee.

4. Strategic and Budget Framework

4.1. The Committee should ensure schemes contribute and meet the targets in the agreed strategic and budget framework. Any decisions must be within the parameters agreed by the Board.

5. Accountability

5.1. The committee is accountable to the Combined Authority Board.

6. Membership

6.1. The Housing and Communities Committee shall comprise eight members to include the Mayor or his/her nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.

6.2. Where the Mayor does not take up his/her appointment on a committee. The membership shall be seven members comprising a Board member from each of the seven constituent councils or their nominees.

6.3. The Combined Authority Board shall appoint the committee and substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to executive committees. See also Chapter 11, paragraph 2 of the procedure rules of executive committees and Chapter 4 paragraph 4.4.

Chapter 10 – Housing and Communities Committee

- 6.4. Co-opted Members of the Combined Authority Board should receive an open invite to all executive committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in chapter 2 paragraph 5 of the constitution apply to committees.

7. Lead Director

- 7.1. The Lead Director for the Committee is:

(a) Director Housing

8. Working Groups

- 8.1. The Committee may establish informal working groups to assist with the delivery of its objectives. These groups are non-decision making groups of Members of the Committee and officers.
- 8.2. The remit and terms of reference for any such subordinate body shall be approved by the committee.

Chapter 11 - Procedure rules of Executive Committee meetings

1. Access to meetings

- 1.1. The Transparency Rules, Forward Plan and Key Decisions apply to all committees, sub-committees and joint committees - [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#).

2. Membership

- 2.1. The membership of committees is set out in its terms of reference.
- 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 committee, then, subject to certain exceptions, they cease to be a member of the committee.
- 2.3. A person will cease to be a member or a substitute member of an Executive Committee if they cease to be a Member of the Constituent Council that nominated or appointed them. The Combined Authority Board Member shall appoint or nominate a replacement as soon as possible.
- 2.4. A member or substitute member may resign by giving written notice to the Monitoring Officer, and the resignation takes effect on the receipt of the notice.
- 2.5. The relevant Combined Authority Board Member shall at any time be entitled to terminate the appointment of a member or substitute member nominated by them and replace that member or substitute Member.
- 2.6. The Combined Authority Board Member must give written notice of the new nomination and the termination of the previous nomination to the Monitoring Officer. The termination will take effect immediately.
- 2.7. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by Board members during the municipal year to ensure there is a full complement of members or substitute members at committee meetings. The new appointment shall take effect after the nomination has been approved by the Combined Authority Board Monitoring Officer and shall be reported to the following of the Board for ratification.

Chapter 11 – Procedure rules of Executive Committee meetings

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. Chair and Vice-Chair

- 4.1. The Combined Authority Board shall appoint the Chair on the recommendation of the Mayor and he/she shall be the lead member for the functions of the committee. The Chair shall be selected from one of the seven constituent council representatives on the committee or the Mayor. No vice-chair shall be appointed. The committee shall appoint a chair for the meeting when the chair is absent.
- 4.2. Lead members have a strategic role in leading the development of future policy and budget allocations for approval at the Board or the committee. They work directly with officers to give guidance in the development of future policy. A chair shall fulfil this same role and has an additional responsibility of chairing a committee to operate within the agreed delegations for matters approved by the Board.

5. General Voting

- 5.1. Each voting Member shall have one vote. There shall be no casting vote. A “Member” includes:
- (a) the Mayor (or deputy Mayor acting in his/her place) where the Mayor has accepted an appointment on the committee; and
 - (b) a Constituent Council Member (or his/her nominee) or a Substitute Member acting in that Member’s place.
- 5.2. Except decisions to which special voting arrangements apply, all decisions of the committee 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.
- 5.3. If a vote is tied it is deemed not to have been carried.
- 5.4. If there is a deadlock, the matter shall be referred up to the next meeting of the Combined Authority Board.

Chapter 11 – Procedure rules of Executive Committee meetings

- 5.5. The proceedings of the committee 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.
- 5.6. If for any reason:
- (a) the Mayor is unable to act or the office of Mayor is vacant, and
 - (b) the deputy Mayor is unable to act or the office of deputy Mayor is vacant,
- or
- (c) the Mayor has decided not to take place on a committee the other members of the combined authority must act together in place of the Mayor taking decisions by a simple majority.

Special Voting

- 5.7. Special voting arrangements are set out, Chapter 5 paragraph 16 of the constitution.
- 5.8. 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 Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.

Recorded Votes

- 5.9. A Member may ask immediately after the vote is taken, that their vote is recorded in the minutes of the relevant meeting.

6. Reference up to the Combined Authority Board

- 6.1. Where a majority of members consider appropriate, a matter on the agenda may be referred for decision by the Combined Authority Board. The report

Chapter 11 – Procedure rules of Executive Committee meetings

together with the committee's recommendations will be placed on the agenda of the next meeting of the Combined Authority Board for decision.

7. Minutes and Call-in of Committee Decisions

- 7.1. The Monitoring Officer shall publish details of decisions of the committee on the Combined Authority website and to all Members of the Committee, the Board Members and the Overview and Scrutiny Committee. Where the decision is made at a meeting, this shall be no later than the close of business on the third clear working day following the day of the meeting at which the decision was made.
- 7.2. Three Members of the Board may call-in a decision of the committee by notifying the Monitoring Officer. The power to call in an executive decision should only be used in exceptional circumstances. The decision will not be implemented and will be referred to the Combined Authority Board for review and decision.
- 7.3. On receipt of a call-in request, the Monitoring Officer shall:
 - (a) notify the Mayor, Members of the Combined Authority Board, Members of the Committee and Members of the Overview and Scrutiny Committee, of the call-in; and
 - (b) either call a meeting of the Board or refer the matter to the next scheduled Board meeting.
- 7.4. If a key decision is suspended, it is not available to be called in by the Overview and Scrutiny Committee until the Board has met and reviewed the committee's decision and either confirmed, amended or rescinded the decision.
- 7.5. The Overview and Scrutiny Committee shall have five days after publication of the committee's decisions to call in a key decision, in accordance with the Overview and Scrutiny Committee's call in arrangements set out in [Chapter 13 - Overview and Scrutiny Committee.](#)

8. Application of Chapter 5 [Proceedings of Meetings] to Executive Committees

- 8.1. The following rules from Chapter 5 [Proceedings of Meetings] shall apply to the meetings of Executive Committees with any necessary modification - Rule 4 [Ordinary Meetings and Urgency], Rule 6 [Notice of Meetings and

Chapter 11 – Procedure rules of Executive Committee meetings

Agendas], Rule 7 [Public Access], Rule 8 [Attendance], Rule 9 [Notice of Substitute Members], Rule 12 [Declaration of Interests], Rule 13 [Rules of Debate], Rule 17 [Minutes], Rule 18 [Questions by the Public and Questions by Members] [not including rules on Petitions from the public], Rule 19 [Conduct at Meetings] and Rule 21 [Photography, Audio/Visual recording of Meetings and Blogging/Tweeting].

Chapter 12 - Employment Committee

1. Governance

- 1.1. The Combined Authority has appointed an Employment Committee. The committee is an executive committee of the Combined Authority Board.

2. Terms of Reference

- 2.1. The functions of the Employment Committee are:
- (a) To make recommendations to Combined Authority Board on the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer and Chief Finance Officer (“the statutory officers”).
 - (b) To appoint chief officers.
 - (c) To establish, as required, a Statutory Officer Investigatory Panel with authority to make recommendations to the Combined Authority as to the dismissal arising from disciplinary action [as defined at paragraph 2.2 below] of any of the statutory officers. The membership of this Panel shall be as set out in the Officer Employment Procedure Rules.
 - (d) To take disciplinary action falling short of dismissal against the statutory officers and to suspend and keep under review any suspension of those statutory officers.
 - (e) To take disciplinary action against Chief Officers in circumstances capable of resulting in the dismissal of those officers and to suspend and keep under review any suspension of those officers.
 - (f) To determine appeals by Chief Officers against decisions made in relation to grievance proceedings.
 - (g) To determine employment procedures for the officers of the Combined Authority, including dismissal procedures.
 - (h) To determine local terms and conditions of employment for officers of the Combined Authority.

Chapter 12 –Employment Committee

- (i) 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 the Head of Paid Service [Chief Executive] and Chief Officers.
- (j) To promote and pursue a policy of equal opportunities in employment.
- (k) To determine policies relating to local government pensions and discretionary compensation for early termination of employment. Upon the commencement of the Restriction of Public Sector Exit Payments Regulations to approve applications for waivers under the Regulations.

2.1 For the purposes of paragraph 2.1:

“Chief Officer” means:

- (a) a person for whom the head of the authority's paid service (Chief Executive) is directly responsible;
- (b) a person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the head of the authority's paid service (Chief Executive);

But a person whose duties are solely secretarial or clerical or are otherwise in the nature of support services shall not be regarded as a Chief Officer.

“Deputy Chief Officer” means:

“a person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to one or more of the statutory or non-statutory chief officers.”

But a person whose duties are solely secretarial or clerical or are otherwise in the nature of support services shall not be regarded as a Deputy Chief Officer.

“Disciplinary Action” means:

“any action occasioned by alleged misconduct which, if proved, would, according to the usual practice of the Combined Authority, be recorded on the member of staff's personal file, and includes any proposal for dismissal of a member of staff for any reason other than redundancy, permanent ill-health or infirmity of mind or body, but does not include

Chapter 12 –Employment Committee

failure to renew a contract of employment for a fixed term unless the Combined Authority has undertaken to renew such a contract”

3 Membership

- 3.1 The Committee shall comprise eight members to include the Mayor or his/her nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.
- 3.2 The Combined Authority Board shall appoint the members of the Committee, and their substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the Committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to the Committee or the Sub-Committees.
- 3.3 The Procedure Rules of Executive Committee Meetings at Chapter 11 of this Constitution shall apply to the proceedings of the Committee.

Chapter 13 - Overview and Scrutiny Committee

Part 1 – Functions

1. Governance

- 1.1. The Combined Authority Board has appointed an Overview and Scrutiny Committee. The committee is a statutory, non-executive 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 13 – 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;
 - (b) identifies each Member of the Committee who has been appointed and any Substitute Members; and

Chapter 13 – Overview and Scrutiny Committee

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

Chapter 13 – Overview and Scrutiny Committee

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 - Transparency Rules, Forward Plan and Key Decisions](#).

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.
- 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.

Chapter 13 – Overview and Scrutiny Committee

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.

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:

Chapter 13 – Overview and Scrutiny Committee

- (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), members of an executive committee 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;
- (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 five 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
- (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.

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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.

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

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- (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, an executive committee 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 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 - Transparency Rules, Forward Plan and Key Decisions](#) may be implemented immediately.
- 13.5. Any other key decision of the Mayor, Combined Authority Board, executive committees 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.
- 13.6. If a key decision of an executive committee is called in by the Combined Authority Board, the call in arrangements for overview and scrutiny shall be suspended until the Board have met. In accordance with these rules the Board's decision will be published and any key decisions will be subject to call-in.

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Process

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

Scrutinising the Decision

- 13.9. 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.
- 13.10. 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, the executive committee or the Officer for reconsideration, setting out, in writing the nature of its concerns.
- 13.11. A decision which has been endorsed by the Committee may be implemented immediately.
- 13.12. Where a decision has been referred back, the Mayor, the Combined Authority Board, the executive committee 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.
- 13.13. 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.

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Re-considering the Decision

- 13.14. 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.
- 13.15. The Mayor, Combined Authority, the executive committee or the Officer may confirm, amend or rescind the decision.
- 13.16. A decision which has been confirmed or amended may be implemented immediately.

14. Linking Sub-regional Scrutiny with Local Scrutiny

- 14.1. Where a constituent council has scrutiny arrangements, 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 [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#).

16. Scrutiny Officer

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

17. Questions by the Public

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- 17.1. 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 to the Overview and Scrutiny Committee, including at an Extraordinary Meeting. For Extraordinary Meetings, the question must relate to the item on the agenda.
- 17.2. 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.
- 17.3. 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.

Order of Questions

- 17.4. 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

- 17.5. 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 address of the questioner.

Number of Questions

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

Scope of Questions

- 17.7. If the Monitoring Officer considers a question submitted:
 - (a) does not relate to the Committee's role and responsibilities or related to an item that the committee is scrutinising;
 - (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 a question that should more appropriately be addressed to another party such as the Combined Authority Board or the Mayor;

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- (d) is substantially the same as a question which has been put at a meeting of the Overview and Scrutiny Committee in the past year;
- (e) requires the disclosure of confidential or exempt information.

The Monitoring Officer will inform the Chair who will then decide whether to reject the question, or if (c) applies, to refer it to the Board.

Record of Questions

- 17.8. The Monitoring Officer shall record the question and will immediately send a copy to the Chair and relevant shadow **lead member**. Rejected questions will be recorded including the reasons for rejection.
- 17.9. 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

- 17.10. The Chair will invite the questioner to put the question to the Committee. Up to two minutes are allowed for putting the question. If a questioner who has submitted a written question is then unable to be present, they can ask for a written response. No debate will be allowed on the question or response.

Supplementary Questions

- 17.11. 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 committee. A supplementary question must arise directly out of the original question or the reply. One minute is allowed for putting the supplementary question.

Answers

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

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 14 - Audit and Governance Committee

Part 1 – Functions

1. Governance

- 1.1 The Combined Authority has appointed an Audit and Governance Committee. The committee is a statutory, non-executive 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 undertake the following for both the Combined Authority and the Business Board:

Accounts

- 3.2. Approve the annual statement of accounts;

Governance

- 3.3. Review corporate governance arrangements against the good governance framework;

Chapter 14 – Audit and Governance Committee

- 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;
- 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;

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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.

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

Chapter 14 – Audit and Governance Committee

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 a hearings panel to hear any complaints where the Member is alleged to have breached the 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:
 - 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;

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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 - Transparency Rules, Forward Plan and Key Decisions](#).

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

- 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.

Chapter 14 – Audit and Governance Committee

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 five years been:
 - (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 (ie total maximum eight years).

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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 - Transparency Rules, Forward Plan and Key Decisions](#) will apply.

Annex 1

The current membership of the Audit and Governance Committee is one member from each constituent council and one independent person. (eight members). The quorum is six members.

Chapter 15 - 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, [Chapter 4 - Combined Authority Board Functions](#) , [Chapter 3 - The Mayor of the Combined Authority](#), [Chapter 16 - Contract Procedure Rules](#), [Chapter 7 - Budget Framework Procedure Rules](#) and the [Chapter 17 - Officer Scheme of Delegation and Proper 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

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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.
- 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

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regulations). Each Officer of Constituent Councils and the Business Board 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 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 draft Statement of Accounts, before 31 May and will submit the accounts to the Combined Authority's Audit and Governance Committee for approval in line with the current statutory regulations. Final Statement of Accounts must be produced by 31st July.
- 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 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 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

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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 [Chapter 7 - Budget Framework Procedure Rules](#).
- 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.
- 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.

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- 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 [Chapter 17 - Scheme of Delegation](#) and subject to compliance with the Combined Authority's [Chapter 16 - 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 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:
- (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.

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- 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.
- 9.8 The Scheme of Delegation states:

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- (a) The Chief Finance Officer shall authorise and approve all expenditure incurred within the revenue budget, in accordance with the approved budget limits and Financial Regulations.
- (b) The Chief Finance Officer shall authorise and approve all expenditure on capital schemes, in accordance with the Capital Programme and Financial Regulations, provided that expenditure has been authorised in accordance with the Assurance Framework.

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;
 - (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.

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- 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:
- (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;

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- (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.

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15. Assurance Responsibilities

- 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, [Chapter 15 - Financial Management Procedure Rules](#), [Chapter 16 - 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 [Chapter 16 - 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.
- 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.

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- 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.
- 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.

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- 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 [Chapter 17 - Officer Scheme of Delegation and Proper Officers](#) 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.

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.

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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 Combined Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;
 - (c) completing all HM Revenue and Customs returns regarding Pay As You Earn;
 - (d) completing and submitting VAT returns to HMRC as necessary.

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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 the Mayor or independent members of the Combined Authority under an approved Member Allowance scheme or Officers, for reimbursement of expenses regarding hotel accommodation, refreshments, hospitality, gifts, car mileage are required to be countersigned by another Officer. Councillors can claim Travel and Subsistence from their Constituent Councils which is outlined in their Constitution.

- 29.2 All claims should be submitted monthly.

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.

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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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Procurement Overview

1. Procurement Definition

- 1.1. Public Sector procurement is the process of acquiring goods, services and works for the delivery of an Authority's obligation to its residents and regional visitor. The process must be carried out within a specific legal framework and based on principles of equal treatment, transparency and non-discrimination such that for contracts over a specified value or specific social interest may be tendered for by any interested and appropriately qualified organisation. This is to ultimately achieve the optimal solution that also provides value for money across the whole-life of the process and contract.

2. Governing Legislation

21. The Local Government Act 1972 section 135 requires Public Bodies to have standing orders for how it enters into contracts. These Contract Procedure Rules ("Rules") set out how the Combined Authority will deliver against this obligation.
22. All Procurements for Contracts, by Combined Authority staff or members (including where managed by an external organisation or public body on the Authority's behalf), MUST comply with these Rules, the Combined Authority's Financial Regulations and all applicable EU and UK Legislation; specifically (but not limited to):
 1. The Local Government Act 1972
 2. Public Contract Regulations 2015 (PCRs)
 3. Concession Contracts Regulation 2016 (CCRs)
 4. Equality Act 2010
 5. Bribery Act 2010
 6. Localism Act 2011
 7. Social Value Act 2012
 8. Modern Slavery Act 2015
 9. General Data Protection Regulation 2016 (SI 2016\679)
 10. Freedom of Information Act 2000
 11. Transparency Code 2015

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23. Where there is a discrepancy between these rules and any procurement legislation, the procurement legislation is the dominant authority.
24. Where there is a conflict between the procurement legislation and any other relevant legislation as listed above (or otherwise identified during the process) the Monitoring Officer must be consulted immediately to carry out a legal, project risk assessment.
25. Central Government guidance (Procurement Policy Notes (PPNs)) should be considered for best practice but do not override these rules or legislation.
26. Non-compliance with these rules may constitute grounds for disciplinary action.

3. Application of the Rules

These rules govern

31. ALL purchases of works, goods and services (including consultancy requirements and equipment hire or lease through rental agreements) across the whole Combined Authority, regardless of value, as covered by Chapter 1 and 2 of the PCRs and not excluded by Regulation 10, PCRs.
32. The use of external frameworks and Dynamic Purchasing Systems.
33. Procurements under the Light Touch Regime Procurements, as covered by Chapter 3 of the PCRs.
34. Below threshold procurements under Chapter 8 of the PCRs.
35. The procurement of Concession contracts as set out in the CCRs.
36. ALL collaborative procurements with other public bodies.
37. The Disposal of Assets or goods by the Combined Authority.

They DO NOT apply to:

38. Supply of works, goods and services by the Authority to another authority, subject to the agreement of the Procurement and Contracting Manager.
39. Purchases through local authorities, government bodies or public agencies, (eg police, health or other similar authorities) where the procurement rules of that organisation have been approved by the Procurement and Contracting Manager as complying with these Rules, or the contract is agreed in cooperation or partnership eg section 75 agreements.

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- 3.10. 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;
- (a) achieve objectives which are common to both parties; and
 - (b) the arrangement is solely for the public interest; and
 - (c) the parties perform less than 20% of the services covered by the arrangement on the open market.
- 3.11. 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;
- (a) The Combined Authority exercises a similar control on the entity as it does with its own departments;
 - (b) The entity carries out more than 80% of its activities for the Combined Authority;
 - (c) There is no private sector money in the entity.
- 3.12. Employment contracts.
- 3.13. Sponsorship agreements.
- 3.14. Purchases made at public auction or of goods sold due to insolvency.
- 3.15. Land contracts (including leases, licences and transfers).
- 3.16. Grants of money, these cannot be contracts as there is no consideration and they are not services required to be delivered by the Authority.
- 3.17. Funding or financing arrangements.
- 3.18. Any other arrangements excluded by the PCRs.
- 3.19. Services excluded under Regulation 10 PCRs**
- (a) Legal advice that may lead to or is in preparation for Judicial Proceeding, or representation at judicial proceedings;
 - (b) Arbitration or conciliation;
 - (c) the purchase or sale of any interest in land, (including leasehold interests);
 - (d) Financial advice for the sale, purchase or transfer of sureties;
 - (e) Audio-visual/radio broadcasts;
 - (f) Arbitration/legal advice for either the preparation or representation in legal proceedings that may result in a court hearing;
 - (g) Loans;
 - (h) Employment contracts between an individual and the Combined Authority;
 - (i) Public transport by rail or metro;
 - (j) Political campaigns;
 - (k) Civil Defence.

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320. Where there is any doubt as to whether the procurement is covered by these rules, officers are required to seek advice from the Procurement and Contracting Manager.

4. Procurement Objectives - the Treaty for the Function of the European Union (TFEU)

- 4.1. The Combined Authority seeks to achieve more than just the practical element of the contract from the procurement process; as such, every contract must be let in consideration of the following objectives:

- (a) Regulatory Compliance (open markets and equal opportunity for all providers, fair & transparent process in accordance with TFEU and Regulation 18 PCRs).
- (b) Accountability.
- (c) Value for Money (proportionality, efficiency and economy).
- (d) Efficient Procurement Process.
- (e) Support of Horizontal Policies such as implementing social, environmental and industrial commitments, at a proportionate level, in accordance with the Combined Authority's Policies and Procurement Guidance Document.

Excluding item 1 – the level of priority of each of the other objectives is to be set by the Combined Authority, as detailed in this document.

5. Roles & Responsibilities

- 5.1. The following lists detail the various procurement activities and where the responsibilities for each sit.

Procurement & Contracting Manager (directly or through delegation)

- (a) Responsibility for the Rules, guidance documents and procurement templates.
- (b) Design, implementation and management of a Procurement Gateway Process.
- (c) Provision of Procurement Advice and assistance on all expenditure, including route to market and contract choice.
- (d) Overview and management of any frameworks and corporate contracts.
- (e) Oversee all exemptions to the PCRs and these rules.
- (f) Organising and running market engagement events.
- (g) Provision of advice on commercial structure and evaluation methodology.
- (h) Appointment of external legal support for complex procurements.
- (i) Management of the e-tendering portal.
- (j) Tender Moderation.
- (k) Signing off All Regulation 84 Tender Reports for process compliance.
- (l) All formal Procurement correspondence.
- (m) Collating/populating all Contract Documents and ensuring signature.

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- (n) Oversee contract monitoring and all contract variations.
- (o) Attendance at bi-annual contract management meetings.
- (p) Management and monitoring the Contract Register.
- (q) Forward Planning of cyclical requirements.

Chief Finance Officer (directly or through delegation)

- (a) Development and implementation of the Financial Regulations.
- (b) Approving budgets for procurement of contracts.
- (c) Signing of All Regulation 84 Tender Reports for budgetary compliance.

Monitoring Officer (directly or through delegation)

- (a) General advice as required.
- (b) Lawfulness and governance of complex procurement decisions taken.
- (c) Provision of any legal document requirements and support managing external legal services.
- (d) Signing of All Regulation 84 Tender Reports for governance compliance.
- (e) Approval of all contract documents before signature.
- (f) Approval of all waivers to these rules.
- (g) Approval of any contracts awarded under Regulation 32.

Directors

- (a) Project approval and authority to proceed.
- (b) Signing of All Regulation 84 Tender Reports for Award Approval.

Contract Managers

- (a) To following the instructions of the Procurement and Contracting Manager and Monitoring Officer.
- (b) Development of Project Initiation Documents and Gateway reports.
- (c) Confirmation of Project Budget & Authorisation to Procure.
- (d) Creation of Contract Specification and Contract Management requirements.
- (e) Managing any technical enquiries during a procurement process.
- (f) Evaluation of tender returns.
- (g) Complete the tender report.
- (h) Manage the delivery of the contract in accordance with the specification, tender return and the contract management processes included in the contract.

All officers must:

- (a) Comply with the Combined Authority's Financial Regulations.
- (b) Declare any gifts or hospitality received either before, during or after the procurement to the Head of Procurement.
- (c) Not disclose any confidential information to unauthorised persons.

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- (d) Conduct the procurement process in a fair, open and transparent manner.
- (e) Ensure the process delivers value for money.

6. Use of Consultants

6.1. Where the Combined Authority requires the technical input of industry experts/ consultants to either resource and/or manage a procurement or inform a specification, or deliver a particular process; officers are required to ensure the following is applied:

- (a) The service is for a discrete (or multiple discrete) pieces of work and/or is not backfilling a Combined Authority post.
- (b) The consultants are procured in accordance with these Rules.
- (c) The Consultant is experienced in and fully understands all Public Procurement Legislations and agrees to be bound by them.

There is a clear specification of requirements and responsibilities set out in their appointment, including adherence to these rules and that this is documented in the form of contract used.

Procurement Process Planning

As part of the initial procurement planning process, officers are required to consider the impact of legislation, financial and time constraints along with any of project specific requirements.

7. Category of Spend

7.1. The procurement process to be applied is firstly determined by the category of spend and then the contract value, such that before beginning the process this needs to be ascertained.

7.2. The categories of spend are

- (a) Goods (supplies or products),
- (b) Services (labour, consultants or technical resources),
- (c) Works (Construction Projects),
- (d) Light Touch Regime Services (Hospitality/ Catering, Education/ Training, Security, Legal Services)
- (e) Concession Contracts (contracts where the supplier's revenue is through the exploitation of an asset e.g. running a café owned by the authority)
- (f) Regulation 32 PCRs (Non-competitive Direct Awards)
- (g) Regulation 10 PCRs Excluded Contracts
- (h) Regulation 14 PCRs Research & Development

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8. Contract Value Estimation

81. The estimated value of a contract is based on either; the money to be paid by the Authority to the successful tenderer (Regulation 6 PCRs) or the value to the market (Regulation 8 CCRs) of the contract.
82. A contract value should be calculated as follows:
 - (a) A lump sum contract – this is a one-off, capital project, only used by one project/team where the contract value is the total budget available (including any contingency).
 - (b) A periodic contract – this is where there is an annual, regular, potentially on-going requirement, by the authority – the contract value is the potential annual spend (across the whole Authority) multiplied by the number of years the contract is to run (including any extensions).
 - (c) A concession contract – this is a term contract over a number of years whereby the revenue is paid based on usage levels, and usually by the service users, without any guarantee of full recompense or profit.
83. The value of any contract is the TOTAL maximum, potential or reasonably foreseeable spend over the whole duration of the contract (including extensions) for a given requirement.
84. The Authority **MUST NOT** disaggregate or sub-divide like or similar requirements for the purpose of avoiding the procurement from being regulated. (Regulation 5, PCRs or Regulation 7, CCRs). Procurements below these thresholds are still subject to delivering value for money but the nature of the procurement process may be defined by the authority and needs to be proportionate to the value, effort and market interest in consideration to the nature of the purchase.

See Schedule 1 for current thresholds across all relevant legislations

9. Partnership Arrangements

91. The authority has entered into a number of arrangements with partner authorities for the purchase of various back office services; officers are required to liaise with procurement before commencing an external procurement to ensure that those arrangements are not breached or cause relationship problems across the authority's partners.

10. Procurement Gateway Process

101. The Procurement and Contracting Manager in consultation with the Monitoring Officer, shall publish and oversee a gateway process that reviews and approves the approach to procurement and ensures that these rules, legislation and best

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practice are adhered to along with monitoring the delivery of value for money and social obligations. This process to be monitored by an officer board based on value and/ or complexity. The details of the Procurement Gateway Process will be maintained on the Combined Authority internal website.

Pre-Procurement Contract Approvals

102. Where the procurement is not required to be monitored under the gateway process the project officer must still provide evidence to the Procurement and Contracting Manager that they have the necessary director, committee or board approvals to procure and subsequently award a contract based on specified value.
103. The Project Officer must also liaise with the Governance team to ascertain if the procurement is a Key decision and based on this, place the contract on the Forward Plan in accordance with the Authority's Constitution.

11. Procurement Timescales

- 11.1. Officers should allow the following minimum timescales for each of the identified routes:
 - (a) Single quote - approximately two weeks
 - (b) Three quotes - approximately six weeks
 - (c) Below threshold tender - approximately 10 weeks
 - (d) Above threshold tenders - OPEN procedure – approximately 14 weeks
 - (e) Negotiated Procurement - at least 26 weeks

12. Application of Non-Procurement Legislation

- 12.1. Officers are required to consider whether the procurement process and decisions are affected by other relevant legislation. A list of the more obvious ones to be considered and their impact on procurement are available in the procurement guidance documents and will need to have been considered as part of the Gateway process to ensure a holistic approach is adopted and transparently procured.

13. Conflicts of Interest (Regulation 24 PCRs)

- 13.1. The Public Procurement Legislations are designed to prevent corrupt practices and the application of any preferential treatment or discrimination of any UK or EU supplier. As such the following rules apply:

All members, officers, contract managers or organisations procuring on behalf of the Combined Authority must avoid any potential conflict between their own (or family/ friends) interests and the interests of the Combined Authority as detailed in the Combined Authority's Code of Conduct.

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132. Where an interest (financial or personal) is identified this must be reported the Head of Procurement such that any identified risks can be minimized. Where such a conflict is identified and cannot be suitably mitigated to the Head of Procurement & Contract's satisfaction, that person may not participate in the procurement or evaluation process.

14. Separation of Duties

- 14.1. A procurement, contract, purchase order or waiver cannot be raised and approved by the same person.
- 14.2. Where a contract manager completes the practical element of a procurement process, a procurement form or makes another recommendation, the award must be agreed by a Director.

15. Risk Assessment

- 15.1. Officers are required to complete a risk assessment for approval by finance and legal on all procurements that are deemed high risk based on the following
- (a) Is of political or public interest;
 - (b) Is over the EU threshold;
 - (c) Is being awarded under Regulation 32 PCRs; or
 - (d) Is being varied/extended under Regulation 72 PCRs;
 - (e) Includes the setting up of a Special Purpose Vehicle;
 - (f) Includes a lease arrangement, advance payment or holding funds on behalf of another entity;
 - (g) Is for a duration over five years;
 - (h) Includes design liability, intellectual property rights or a requirement for collateral warranties.
- 15.2. Officers should use the Combined Authority's standard templates and ensure they are added to the corporate risk register before the procurement commences and then monitored throughout the process and life of the contract.
- ### **16. Bonds & Parent Company Guarantees**
- 16.1. The requirement for a bond or parent company guarantee (and its value) is at the discretion of the relevant Director.
- 16.2. An optional requirement for a Bond or Parent Company Guarantee should be included as part of all procurements over £250k such that it creates both; a means to assess the financial stability of a tenderer and an option to mitigate any identified performance risks of the preferred supplier. Evidence of the bond's availability (even if not required) should be obtained before award.

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163. Where the project or a contractor is deemed as a high risk for failure (likelihood and/or impacts), advice should be sought from Procurement, Finance and Governance in deciding if the provision of the bond is required.
164. Where a bond or parent company guarantee is deemed necessary – this should be in a form acceptable to the Combined Authority and in consideration of the form of contract being used.

Routes to Market

The route to market is selected based on a number of considerations as set out below.

Where possible, **Officers are recommended to consider whether to use either an existing framework (or one procured by a partner authority) so as to minimise procurement costs and process time.**

Where the value is below threshold or it has been agreed with procurement that the requirement is non-standard, or a framework may not deliver the optimal solution, be that because the supplier base is unsuitable or too limited, framework rates do not offer value for money or the requirement requires an ability to negotiate, then alternative routes should be considered in conjunction with procurement and legal or through the 'gateway' process.

These processes available are as set out below.

17. Process Types

- 17.1. Procurements can be split into two categories; regulated and non-regulated.

Non-Regulated (below Threshold) Procurements

- 17.1. These can, in addition to using the regulated routes, be used based on value:
 - (a) **Direct Award** – a single supplier quote from a local/SME supplier who is selected based on previous knowledge, a recommendation or a local supplier list (where one exists).
 - (b) **Quotes Process** – between three and five suppliers are selected to provide a quote detailing how they will deliver a project and the costs. Suppliers to be selected based on being local/ SMEs with either previous knowledge, on a recommendation or from a local supplier list (where one exists).

Regulated (above EU Threshold - OJEU) Procurements

- (a) **OPEN Tender (Regulation 27 PCRs) – DEFAULT ROUTE** - single stage, advertised process. This route is for standard purchases where the requirements are clear – it does **not** include any scope for negotiation of any of the element of the tendered information. All compliant submissions must be evaluated.

- (b) **RESTRICTED Process (Regulation 28 PCRs)** – two stages, advertised process. This route is for standard purchases where the requirements are clear – it does **not** include any scope for negotiation of any of the element of the tendered information. Suppliers are shortlisted to tender following an initial supplier qualification process. This route is most suited to extensive markets to ensure proportionality of process and cost.
- (c) **COMPETITIVE PROCESS with NEGOTIATION (Regulation 29 PCRs)** – multi-stage, advertised process. Includes the ability to negotiate on predefined elements. Suppliers are shortlisted to tender following a supplier qualification process, and then following each round of negotiations based on the predefined scoring criteria. This is used where the desired outcome of the procurement is known but how it is to be achieved is less clear.
- (d) **COMPETITIVE DIALOGUE (Regulation 30 PCRs)** – multi-stage, Advertised process. Includes the ability to discuss and define any unknown requirements. Suppliers are shortlisted to tender following a supplier qualification process, and then following each round of dialogue based on the predefined scoring criteria. This is used where the desired outcome of the procurement is unclear as is how it is to be achieved.
- (e) **INNOVATIVE PARTNERSHIP (Regulation 31 PCRs)** – multi-stage this is used where you want to purchase something that isn't already available in the market and needs to be created. The procurement process is based on a set of minimum requirements and desirable outcomes – the process can only be used with the approval of Procurement.
- (f) **FRAMEWORK (Regulation 33 PCRs)** – This can be procured through any on the procedures in this list and is an arrangement with one or more suppliers to provide the requirements on an as required basis with no fixed commitment. The Framework has a maximum duration of four years and subsequent awards can be made either by a direct award based on the framework prices or through further competition and evaluation – depending what has been specified in the Framework Agreement. Contracts awarded under the framework can run past the framework end date where set up to facilitate this.
- (g) **DYNAMIC PURCHASING SYSTEM (DPS) (Regulation 34 PCRs)** - this is an approved list, on to which suppliers can be added at pre agreed intervals. Suppliers are added based the completion of the first stage of a RESTRICTED procedure and their demonstration of technical ability and previous experience. All subsequent awards must be through further competition and price/ quality evaluation.
- (h) **FURTHER COMPETITION** (from an existing framework) – this is where you are inviting the suppliers already on a compliantly procured framework or DPS to submit a qualitative proposal and price for your specific requirements. (where this is from a framework the prices/rates are capped at the framework prices.

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- (i) **BESPOKE COMPETITIVE PROCESS** – this can only be used under the Light Touch Regime and will be defined and managed by procurement. **(Regulation 76, PCR or Regulation 36 CCR).**
- (j) **DESIGN COMPETITION (Regulation 80 PCRs)** - These are for the design of unique construction projects.
- (k) **NEGOTIATED PROCEDURE WITHOUT ADVERTISEMENT – (Regulation 32 PCRs)** – this route can only be used in exceptional circumstances and must be agreed by Procurement and the Monitoring Officer and documented on a waiver. Potential for use include: lack of competition, urgency or exclusive rights.

18. Below Threshold Requirements

- 18.1. The procurement process is to be selected based on its category and its value, this is to ensure that the process is proportionate, transparent and can demonstrate value for money in consideration of the project requirements and other constraints such as urgency or protected rights.

Goods & Services Contracts

- (a) Single quote up to £9,999
- (b) Three quotes between £10,000 and £49,999 (RFQ process)
- (c) Advertise on Contracts Finder between £50,000 and EU threshold (Tender Process)

Recruitment Consultant appointments

- (a) Single quote up to £24,999
- (b) Three quotes between £25,000 and £99,999 (RFQ process)
- (c) Advertise on Contracts Finder between £100,000 and EU threshold (Tender Process)

Works and Concession Contracts

- (a) Single quote up to £49,999
- (b) Three quotes between £50,000 and £499,999 (RFQ process)
- (c) Advertise on Contracts Finder between £500,000 and EU threshold (Tender Process)

Light Touch Regime (training, legal requirements)

- (a) Single quote up to £49,999
- (b) Three quotes between £50,000 and £199,999 (RFQ process)
- (c) Advertise on Contracts Finder between £200,000 and EU threshold (Tender Process)

Quotes Process

Where requests for quotations are made, these should be from local suppliers where possible, either from a known local list or identified through the e-

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tendering portal of registered suppliers. Where none are known, the opportunity may be advertised at the officer's discretion.

Contracts Finder (Tender Process)

Where an opportunity is to be advertised based on the above, or is published in any other way (eg on the e-tendering portal, through an industry magazine or some form of social media) it must also be advertised on Contracts Finder. Any advertised, below threshold procurement, must follow that of a single stage/open tender with no option for shortlisting.

Waivers

Where a below threshold contract, based on value, requires a competitive process and there is an urgency, protected right, technical expertise or other reason that is accepted by the Monitoring Officer and Chief Finance Officer as delivering best value to the authority, a waiver may be used to enable the officer to seek a single quote and carry out a direct award to that organisation. This process is set out in the procurement guidance documents.

19. Above Threshold Requirements

- 19.1. All Above threshold procurements must be advertised (unless procured under Regulation 32 PCRs) on the e-tendering portal, Contracts Finder and Tenders Electronic Daily (TED).
- 19.2. The choice of which route to market should apply depends on the likely number of interested participants, the contract requirements and complexity and the need to negotiate, in accordance with Regulation 26. Further information is available in the procurement guidance documents

Single Stage process - Open

This route considers and evaluates everything listed in the 'two stage process' in one stage.

Two Stage process - Restricted

This route includes two distinctive stage, the shortlisting stage of a Standard Selection Questionnaire (SSQ) and then an Invitation to Tender (ITT) stage.

Multi-Stage process - Negotiated

This route builds on the restricted process two stages and includes an option to negotiate and can have as many stages as necessary to achieve the optimal outcome.

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20. Use of Frameworks

20.1. Where the decision is to utilise an existing Framework for the appointment of consultants or routine requirements, the choice of methodology should be based on the rules of the framework, the options being:

- (a) Direct Award applying the framework selection criteria up to a cap of £200k unless otherwise agreed by the Monitoring Officer.
- (b) Further competition where the requirement is over £200k or the requirements need further scoping or there is an opportunity to achieved improved value for money through competition.

21. Advertisement (Regulations 48, 49, 52 & 106 PCRs)

21.1. Where a direct award/ or quotes process is not permitted by these rules or by exception under either these rules or the Regulations; and where the award is not via an approved framework, the procurement opportunity must be advertised as follow:

- (a) Contracts Finder (**Regulations 52 & 106 PCRs**) - where specified in this document or where they are regulated under any of the public procurement legislations
- (b) TED – where they are regulates/ value exceed the values as set out in Schedule 1.
- (c) Authority e-tendering portal – where an advert is placed under one of the above requirements it must also be advertised on the e-tendering portal
- (d) Additional adverts – where the opportunity is advertised, officers may also place adverts on the Authority website, trade publications or social media.

22. Market Engagement (Regulation 40 PCRs)

22.1. Where an advertised process is to be used, and before commencing a process, it is essential to understand the market make up and possible supply options, specifically

- (a) Is the Market a Monopoly or is it saturated?
- (b) Is the requirement able to be delivered by a single supplier or does it require sub-contracting?
- (c) Can the contract requirements be met by local SMEs?
- (d) Is the contract suitable for a consortia solution?

22.2. All engagement must be overseen by Procurement and participants should be invited through an advertisement on the e-tendering portal and carried out in a transparent manner (eg supplier days) that treats all possible procurement participants equally and without discrimination such that the activity is artificially restricts or impairs competition.

Procurement Processes

All procurements are to be issued using either the authority's standard templates or the templates provided by the framework's owner as applicable.

Additional information on the following processes and documents is available within the procurement templates, policy documents and through the procurement guidance documents.

23. Direct Award

- 23.1. This option does not require officers to create a specification or a set of tender documents; instead, they should discuss their requirements with the selected organisation and these should then be written up, priced and submitted by that organisation to the authority for approval. Once agreed, they should then be attached to the authority's standard Purchase order or Service terms and conditions and awarded as set out below.

24. Request for Quotation (RFQ)

- 24.1. This option uses a single procurement document to set out the contract and specification requirements along with how the submission will be qualitatively and financially assessed. This to be requested from the three selected companies. The submissions should be evaluated in accordance with this document and then a contract concluded with the successful organisation using the terms and conditions attached to the RFQ in accordance with the award process below.

25. Advertised Tender

- 25.1. The documents needed for an advertised procurement will depend on the contract value and the selected route to market; the tender pack will include some or all of the following:

Due Diligence Document

- 25.2. Where a tender is unregulated and thus an SSQ cannot be used, the due diligence (financial and company status) checks must be used to ensure that the successful tenderer is commercially capable and stable to deliver the contract.

Standard Selection Questionnaire (SSQ)

- 25.3. This document is only used for above threshold tenders and has three parts; Parts 1 and 2 are set down by central government and cannot be amended. Part 3 can be populated with the qualitative requirements of the project and used as a mechanism to shortlist in a multi staged process (Regulations 57, 58 and 65 PCRs).

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Invitation to Tender (ITT) (or ITN or ITN Final) (Regulation 54 PCRs)

254. This document sets out the details of the procurement process and the process requirements along with the rules that interested (or shortlisted) tenderers must follow to ensure that their bid is compliant. Further guidance and adaptation of the standard template should be sought from procurement.

Specification (Regulation 42 PCRs)

255. This document must clearly and concisely set out the Authority's specific contract requirements and depending on whether these are input, output or outcome based, the details by which these may be deemed to be achieved or demonstrated.
256. When using an input specification, officers should ensure that they are suitably up to date with current technology and developments. Specifications should be based on performance or industry standards and only use a brand, model or part number where it is impossible to sufficiently define the requirement any other way. Where this is relied on the specification must state 'or equally approved'.
257. Where the technical expertise is absent or dated, an output or outcome specifications should be used to ensure that an up to date solution is achieved along with value for money.
258. Where social or other policies are to be considered, these must be clearly specified and where possible, hyperlinks to their location included in the procurement documents.

Terms of Business/Contracts

259. The choice of contract shall be in a form approved by the Legal team and will be based on the nature of the spend and the project complexity along with the route to market, officers must engage with the Legal team at the concept of the procurement to enable sufficient time for consideration and drafting.
- 25.10. Where the selected procurement process does not allow for negotiations, officers are advised to ensure that the requirements identified to Legal are not prohibitive or anti-competitive such that they may limit competition and the ability to achieve a successful, value for money outcome.

Tender Submission Document

- 25.11. ALL Tenders MUST be evaluated using the principle of Most Economical and Advantageous Tender (MEAT).

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Quality Requirements - Method Statements – (Regulation 67 PCRs)

- 25.12. Officers are recommended to use a split of 60% price and 40% quality. Where this is not felt to be the best means by which to select the most suitable supplier, this may be adjusted to an 80:20 split in either direction following a discussion with Procurement.
- 25.13. Method Statement Questions should be drafted to elicit responses that supplement the specification and in consideration that the responses become part of the contract and performance requirements.
- 25.14. The weighting (importance) of each method statement question must be clearly set out as must the requirements of the 0-5 scoring criteria.
- 25.15. The questions, as a minimum should seek to understand the skills of the delivery team, the timescales for delivery, any quality or health and safety considerations and how the contract can be used to support the local economy, protect the environment or deliver other social benefits.

Pricing Requirements

- 25.16. The tender documents must set out how the price should be calculated and evaluated. This could be a lump sum or a schedule of requirements/ bill of quantities. Where a schedule is used and exact quantities are unknown the document must include details of estimated quantities (unless part of the submission is for them to quantify a resource) to ensure that the evaluation is fair and transparent. Where a schedule of pricing is used, officers may weight particular elements if they are more significant to the success and delivery of the project; where this is required officers must liaise with procurement and finance to ensure the pricing model is fair and representative of the contract requirements.

Form of Tender

- 25.17. Along with the method statement and pricing submission, tenderers are required to confirm that they have no conflicts of interest with the authority and that they have not colluded or otherwise engaged in unethical or illegal practices in order to collate their submission.

26. Use of/ Reliance on Subcontractors (Regulations 63 & 71 PCRs)

- 26.1. The authority must allow a tenderer to rely on subcontractors for economic or technical capacity, experience or professional qualifications unless the task that they seek to subcontract is deemed a critical task; specifically where this would dilute accountability or the performance management of essential elements of the contract.

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262. The authority, when setting out its procurement requirements, may stipulate that where subcontracting is relied on that the tenderers sets out the share of the contract to be subcontracted and where they are to be relied upon, may insist that all such subcontractors complete an SSQ or the authority's Due Diligence document (where applicable) to enable the authority to assess their suitability to deliver an Authority contract.

27. Tender Communications (Regulations 22 & 51 PCRs)

- 27.1. All procurement processes (except for direct awards) must be managed electronically through the authority's e-tendering portal. All notices, tender documentation and awards must be published through the portal and all communications (Q&A) must be published openly unless deemed commercially sensitive.

Evaluation Process & Clarifications – (Regulation 56 PCRs)

28. Due Diligence

- 28.1. These checks should be completed before the price and quality evaluation process as they assess the financial stability of a tenderer. Where a concern is identified this should be referred to finance and legal for consideration and a decision made as to whether they should be disqualified to protect the successful performance of the contract.

29. Standard Selection Questionnaires (Regulations 57 & 58 PCRs)

- 29.1. Where this is provided in a single stage process this should be assessed before the qualitative or pricing submission. Any concerns identified should be clarified with the tenderer before deciding if they should be disqualified.
- 29.2. Where this document is used to shortlist in a two or multi-stage process the Part 1 & 2 elements should be assessed first and any concerns identified should be clarified with the tenderer before evaluating part 3 and shortlisting

30. Quality Submissions

- 30.1. These must be evaluated by at least three, suitably skilled individuals using the predefined criteria and the specification.
- 30.2. Evaluators must make notes as to the rationale for each individual score and provide question specific feedback to be used in the moderation process and ultimately shared with the unsuccessful tenderer.
- 30.3. Where the information is unclear or incomplete a clarification process must be carried out.

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31. Pricing Submissions

- 31.1. This must be carried out separately to the quality evaluation, in accordance with the process set out in the tender documentation and must be verified by the relevant member of the finance team to validate its accuracy.
- 31.2. Where the pricing is incomplete or excessively low, a clarification process must be completed with the support of procurement.

32. Post tender Clarifications

- 32.1. Submitted information may be clarified or explained but not amended or supplemented.

Missing information

- 32.2. Where information is missing, this may be confirmed to the tenderer but may not be supplied by them. Where this has an impact on the total price, tenderers must either honour the total price submitted or withdraw.

Price calculation errors

- 32.3. Where an arithmetical error is identified and can be corrected without the need to seek clarity or additional information, this should be done and advised to the tenderer for agreement. Where this has an impact of increasing the total price, tenderers must either honour the initial total price submitted or withdraw their offer.

Abnormally low pricing (Regulation 69 PCRs)

- 32.4. Where a tenderer's price is significantly lower than anticipated by the authority or in comparison with other tenders received; the authority must seek clarity from the tenderer on how they have priced the tender at this level and demonstrate that it is commercially viable and sustainable. Where such assurances are either not provided or not plausible then the authority should disqualify the submission.

Post Tender Negotiations

- 32.5. Post Tender Negotiations shall not be used to degrade the original tender requirements or price unless:
- (a) ALL the received tenders came in over budget
 - (b) Other special circumstances
- 32.6. In these circumstances, all tenderers that have submitted a tender shall be given the opportunity to resubmit against a revised or reduced specification.
- 32.7. All other negotiations shall only be undertaken in accordance with Law and in agreement with Procurement and Legal.

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Moderation

328. Following the individual scoring of the quality method statement responses, the evaluation panel, overseen by procurement, must meet and agree a common score for each question along with an agreed justification for the scores and question specific feedback for the tenderer.

AWARD Process

Where a formal gateway process has been used to commence and decide on the procurement process, a further review should be completed before the decision to award. In all case, the following stages must be completed.

33. Tender Report (Regulation 84 PCRs)

- 33.1. All advertised tenders must, before award, have a completed tender report approved by procurement, legal and finance before any notifications are sent or contracts collated.

34. Notifications (Regulations 55 & 86 PCRs) & Standstill (Regulation 87 PCRs)

- 34.1. All notification or outcome letters must be approved by procurement and signed by the Procurement and Contracting Manager.
- 34.2. All tenderers (successful and unsuccessful) must be notified, in writing, of the outcome of the evaluation process at the same time. Unsuccessful tenderers must be provided with feedback which details the relative advantages of the successful tenderer.
- 34.3. Where the procurement is regulated (and even on below threshold processes where advised by procurement) the authority must issue and apply a standstill period with the award letters not being issued until after this period has expired.

35. Supplier De-briefing

- 35.1. Following the notification of the procurement outcome, unsuccessful tenderers may request feedback in addition to that provided in the letters; this must be agreed and supported by procurement to ensure that only allowed information is shared and that it is done so in a non-discriminatory manner.

36. Letters of Intent

- 36.1. Letters of intent give the contractor the authority to proceed prior to the execution and dating of contract; however, they should only be used where there is a genuine need and genuine benefit to the Authority, such as to:
- (a) facilitating the ordering of goods where there are long lead times;

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- (b) enable design work to commence immediately where not doing so would have an adverse effect on the overall project deadlines and planning requirements;
 - (c) facilitate TUPE requirement.
- 362. All letters that fall under the points above must be agreed with legal and signed by the relevant Director. Where a letter of intent is required for any other reason it must be agreed by the Monitoring Officer.
- 363. Where a letter of intent is issued it must specify its intent and include a maximum liability, which cannot exceed £100,000 unless otherwise agreed by the Monitoring Officer.
- 37. Contract Award**
- 37.1. All tender processes must be concluded by way of a duly signed or executed document.
- 372. Contracts MUST not be awarded until all checks have been completed and evidence of any qualifications and certificates provided.
- 373. The award must be as per the specification issued and the tender received (including any clarifications) and not a conditional or counteroffer.
- 38. Contract Approval**
- 38.1. Contracts must be executed by signature or as a deed as follows
 - Goods & Service
 - (a) Up to £25k – Responsible Officer
 - (b) Up to £100k – Finance
 - (c) Up to £250k – Project Director
 - (d) Up to £500k – Monitoring Officer, Chief Finance Officer, Chief Executive
- 382. All works contract to be executed as a deed to ensure a 12-year latent defect period is applied.
- 383. Copies of all executed contracts must be provided to the Procurement and Contracting Manager for inclusion in the contracts register
- 39. Contract Award notices (Regulation 50 PCRs)**
- 39.1. Award Notices must be published in accordance with the following decisions.
 - (a) Where a new Framework or Contract is let and it is over the EU threshold – in the OJEU and on Contracts Finder.

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- (b) Where the procurement is via a mini competition from a framework and is over £25k – on Contracts Finder.
- (c) Where the Procurement value is over £25,000 but under the EU threshold – on Contracts Finder.

Contract Register & Transparency Code

- 392 All contracts over £5,000 must be published on the Authority's contract register, this to include a scanned copy of the completed contract and any waiver/ decision or process approval documentation.

40. Document retention

- 40.1. All documents issued and received via the e-tendering portal will be stored indefinitely on the portal.
- 402 Any other information not held on the portal will be in accordance with the Authority's retention policy.

Contract Management

The Authority is committed to ensuring that in addition to procuring its contracts compliantly, effectively, economically and in consideration of the community it serves; that they will be appropriately performance managed to ensure the intention and benefits promised are delivered and within the contracted value.

41. Contract Performance Management

- 41.1. The Contract owner must ensure that performance management meetings are held at appropriate intervals and that these meetings and any decisions made are properly documented and formally recorded such that they can be relied on.

42. Supplier Payment

Generally

- 42.1. As a responsible authority, payments against contracts should be managed efficiently and without detriment to the suppliers and at most, within 30 days on receipt of the invoice in accordance with government guidance

Construction contracts

- 422 Payments on construction contracts must comply with the form of contract used and where practical, should comply with the Construction Supply Chain Partner as far as reasonable possible to do so

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Late Payments

423. Where payments are late, suppliers are entitled to claim statutory late payment interest unless otherwise documented in the contract.

43. Contract Review

431. Where a formal gateway process has been used in the initial decision making and subsequent award decision, a further review should be carried out to consider contract performance against the initial advertised requirements and budget and to monitor ongoing compliance with these rules and legislation.

44. Performance Failures

- 44.1. Where a Performance failure is identified the following must be applied:
- (a) Legal are consulted as to permissible measures under the contract.
 - (b) Management meetings are held more frequently with the interval being based on the severity of the failure.
 - (c) A remedial plan is agreed and signed.
 - (d) Revised, intermediate performance targets are set out and monitored to ensure improvement and performance failure resolution within the agreed timescales.

442. Where the above measures do not deliver the required improvements within the required timescales, legal should be consulted to escalate the remedial requirements or initiate the termination of the contract.

45. Contract Termination for Performance

- 45.1. Where performance failure under the contract cannot be remedied or where there has been a case of insolvency or other organisation failure, the officer should seek advice from legal and agreement by the Monitoring officer to terminate the contract.

46. Contract Variations/Extensions (Regulation 72 PCRs)

- 46.1. A Contract should only be extended or varied in accordance with any options specifically included in the original procurement documentation.
462. Where no such provision exists; a contract can only be extended or varied with the agreement of the Director and/or Monitoring Officer (depending on value) and documented through the approval of a waiver, as follows:
- (a) The additional requirement is still in scope of the original specification and does not equate to a new requirement or something that is materially different to that advertised such that it requires a new process.

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- (b) The extension or variation does not present an unacceptable risk to the authority eg had the changes been known, others would have participated in the opportunity or a better price could have been achieved.
- (c) The additional requirement does not take it over the EU threshold when it was procured using a below EU process.
- (d) The additional value does not exceed more than 10% if goods & services or 15% if works of the original, advertised value (This can be approved by the Director subject to available funds).
- (e) The additional value of any extension or variation is not a material change, the need was unforeseeable, there is a proprietary right or there is urgency and the change does not exceed more than 50% of the original, advertised value (Monitoring Officer).

The application of any extension or variation

- (a) must be in the Authority's best interest;
- (b) must demonstrate value for money;
- (c) cannot be until after a new Due Diligence Check has been completed.

463. Once approved, Legal must be engaged to provide the necessary legal documentation to record the variation or extension and then the signed version of this and the waiver must be added to the contract register.

47. Lessons Learned

- 47.1. At the close of the contract, the gateway process must be concluded with a lessons learned exercise and this information should be shared to ensure ongoing process improvements and best practice.

Other Procurement considerations

48. Procurement on behalf of Partner Authorities

- 48.1. Where the authority is required under its own powers or at the request of a partner authority to procure on its behalf, those procurements must comply with legislation, these rules and the other authority's rules.
- 48.2. Where there is a conflict between these rules and the other authority's rules then the following apply:
- (a) Financial, procurement or other approvals to procure or award must be the those of the authority for which the contract is let
 - (b) Contract signatory requirements to be those of the authority signing the contract
 - (c) Procurement Process to be followed will be these in compliance with the relevant legislation

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49. Purchase Cards

- 491. The authority operates a purchase card facility; these are available, with the approval of Finance.
- 492. Purchase cards are to be used for low value or one-off incidental spend where it is not efficient to carry out a competitive process. Purchase cards **MUST NOT** be used to bypass corporate contracts or these rules without the express permission of Procurement and the appropriate Director.
- 493. The principle of disaggregation applies to spend on purchase cards both in relation to the individual and the Authority as a whole.

50. Grants (law)

- 501. Where a grant is issued, it must be awarded in accordance with the authority's process for advertising, selecting, awarding and monitoring grants.
- 502. All grants over £25,000 **MUST** be executed as a Deed.

51. Community Right of Challenge

- 51.1. Section 81 of the Localism Act 2011 permits relevant bodies (charities, community bodies, town and parish Authority Services and Staff) to submit Expressions of Interest to provide Authority Services. Corporate Services shall maintain and publish a timetable for the submission of interest. Any such expressions shall be forwarded to the Transformation Team.

52. Disposal of Goods & Assets (Authority requirement)

- 52.1. Where the Authority has goods or assets that are no-longer required these are to be disposed of through a closed-bid auction process. The Authority has an eBay account for this purpose and any department wishing to use it needs to do so through the Procurement team.

53. Procurement Schedules

- 53.1. Please see schedule 1 for threshold by procurement category.
- 53.2. Please see Schedule 2 for a summary table of procurement rules by category and value.

Waivers

Where an officer seeks to deviate from the requirements of this document a waiver must be completed and approved in accordance with the following rules:

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54. Exemptions to the requirement to carry-out a quotes process

- 54.1. This must be drafted by the responsible officer and agreed by procurement and legal.

55. Exemptions to the requirement to advertise on Contracts Finder

- 55.1. This must be drafted by the responsible officer and be approved by procurement, legal and Director with budget responsibility.

56. Exemptions to the requirement to carry out an advertised EU process

- 56.1. This must be drafted by the responsible officer and be approved by procurement, the relevant Director and the Monitoring Officer.

57. Requests to vary a contract in value or time

- 57.1. This must be drafted by the responsible officer and be approved by procurement, the relevant Director, the Chief Finance Officer and the Monitoring Officer.

58. Waiver Contract Documents

- 58.1. Once a waiver has been agreed, a formal contract or variation instruction completed and signed/executed. The completed documents must be added to the contract register.

Chapter 17 - 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. Joint Chief Executives of Combined Authority and Business Board, and Head of Paid Service,
 - 1.2.2. Chief Finance Officer, and
 - 1.2.3. the Monitoring Officer,
 - 1.2.4. Director Corporate Services
 - 1.2.5. Director Delivery and Strategy
 - 1.2.6. Director Business and Skills
 - 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 [Chapter 16 - Contract Procedure Rules](#), assurance framework, monitoring and evaluation framework, [Chapter 16 – Contract Procedure Rules](#) and [Chapter 15 - Financial Management Procedure Rules](#), and [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#);

Chapter 17 – 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;
 - 2.1.2 day to day management of staff in accordance agreed human resource policies and procedures;

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- 2.1.3 acting on behalf of and in the name of the Combined Authority, where necessary in consultation with the Mayor, relevant **Lead Member** or Chief Executive and/or other appropriate Officers;
- 2.1.4 dealing with press enquiries and issuing press releases;
- 2.1.5 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 Monitoring Officer.
- 3.8 Assigning and novating contracts: Needs approval of the relevant Chief Officer and the Monitoring Officer. If over £500,000 it will also need a Combined Authority Decision.

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- 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, and dismissal of staff up to and including 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 Monitoring Officer and the Chief Finance Officer, and in accordance with the Transparency Rules, Forward Plan and Key Decisions ([Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#)).
- 4.9 To provide any response to any Government consultation, subject to consultation with the Mayor of the Combined Authority and the relevant Lead Member.

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- 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 Lead Member 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.
- 4.13 To take decisions up to £500k, subject to any decisions being reported to the next Board meeting of the Combined Authority.

5. Delegations to the Chief Finance Officer

- 5.1 The Chief Finance Officer shall be the designated the Proper Officer under section 73 of the Local Government Act 1985.
- 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.
- 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.

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- 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.
- 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 incur expenditure, within the revenue budget, in accordance with the approved budget limits and Financial Regulations.

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- 5.19 To incur expenditure on capital schemes, in accordance with the Capital Programme and Financial Regulations, provided that expenditure has been authorised in accordance with the Assurance Framework.
- 5.20 Approve applications to bid for external funding where there are no wider budgetary implications or the bid relates to a matter within the strategic framework.
- 5.21 To arrange internal audit in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance.
- 5.22 Internal Audit Officers on producing appropriate identification shall have authority to:
 - 5.22.1 enter at all reasonable times on any land, premises or other assets of the Combined Authority;
 - 5.22.2 obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
 - 5.22.3 require and receive such explanations as are necessary concerning any matters under examination;
 - 5.22.4 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.
- 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;

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- (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.
- 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

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- (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.
- 6.13 To keep a register of gifts and hospitality in accordance with the Protocol on Gifts and Hospitality and to arrange for its publication on the Authority's website.

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 of legal documents.
- 7.5 To execute documents whether by hand or under seal, and to authorise other Officers to execute documents whether by hand or 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.
- 7.8 To deal with and determine exemptions under Section 36 of the Freedom of Information Act 2000.
- 7.9 To accept on behalf of the Combined Authority the service of notices, orders and legal procedures.

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- 7.10 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.
- 7.11 To agree the terms for placing an officer at the disposal of another local authority.
- 7.12 To be responsible for determinations in relation to and maintenance of the list of politically restricted posts.

Part 2 - Schedules of Proper Officers

1. Introduction

- 1.1. 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:
- 3.2. To take decisions up to £500k, subject to any decisions being reported to the next Board meeting of the Combined Authority.

Local Government Act 1972

Receipt of money due from Officers	Section 115 (2)
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Local Government Act 1985

Proper Administration of the financial affairs of the Combined Authority	Section 73
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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)
Receipt of notices regarding address to which Summons to meetings of the Combined Authority is to be sent.	Schedule 12 para 4 (3)

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:

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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 18 - Officer Employment Procedure Rules

1. Introduction

- 1.1 These rules set out how officers are appointed and dismissed and the role that Elected Members have in officer appointments and dismissals.

2. Definitions

- 2.1 For the purpose of these rules the definitions of “Chief Officer”, “Deputy Chief Officer”, and “Disciplinary Action” are as set out in Chapter 12 of this Constitution [Employment Committee].

3. Appointment of Head of Paid Service, Monitoring Officer, Section 73 Officer and Chief Officers

- 3.1 Where the Combined Authority proposes to appoint a Head of Paid Service (Chief Executive), Monitoring Officer, an officer with the responsibilities set out in Section 73(1) of the Local Government Act 1985 (Chief Finance Officer) or Chief Officer the Employment Committee will draw up a statement specifying:
- (a) the duties of the Officer concerned; and
 - (b) any qualifications or qualities to be sought in the person to be appointed.

Where it is not proposed that the appointment be made exclusively from among the Combined Authority’s existing officers the Committee will make arrangements for:

- (c) 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
- (d) for a copy of the statement referred to above to be sent to any person on request

Where a post has been advertised in accordance with paragraph (c) above the Committee will:

- (e) interview all qualified applicants for the post, or select a short list of such qualified applicants and interview those included on the short list.

Where no qualified person has applied the Committee will:

- (f) make further arrangements for advertisement in accordance with paragraph (c) above.

Chapter 18 -Officer Employment Procedure Rules

The Combined Authority Board will approve the appointment of the Head of Paid Service (Chief Executive), the Monitoring Officer and the officer with the responsibilities set out in section 73(1) of the Local Government Act 1985 (Chief Finance Officer) (“the statutory officers”) following the recommendation of the Committee.

Appointments of Chief Officers will be made by the Committee.

All decisions on the appointment of Chief Officers, or decisions on recommendations to the Combined Authority Board on the appointment of statutory officers, made by the Committee 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.

- 3.2 Where it is necessary to appoint an interim Head of Paid Service [Chief Executive], Monitoring Officer, or Section 73 Officer [Chief Finance Officer] on an urgent basis that appointment shall be made by the Employment Committee.
- 3.3 When making decisions as to the appointment or dismissal of statutory officers and Chief Officers the Employment Committee shall include the Mayor or Deputy Mayor in their place.
- 3.4 The appointment of officers at or below Deputy Chief Officer level shall be the responsibility of the Chief Executive or of any officer nominated by them in relation to a particular appointment.

4. Avoiding Conflicts of Interests in the Appointment Process

- 4.1 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.
- 4.2 No candidate related to a Member or Officer as described above will be appointed as Head of Paid Service or as a Chief Officer without the agreement of the Mayor.
- 4.3 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.

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- 4.4 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.
- 4.5 No Member of the Combined Authority shall seek support for any person for appointment with the Combined Authority. This shall 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.

5. Dismissals and Disciplinary Action

- 5.1 Only the Combined Authority Board may dismiss the Head of Paid Service (Chief Executive), the Section 73 Officer (Chief Finance Officer) or the Monitoring Officer (“the statutory officers”) as a result of disciplinary action following the recommendations of the Statutory Officer Investigatory Panel. A statutory officer may not be dismissed by the Combined Authority unless the relevant procedures set out in these Rules, including Annex 3 to these Rules, have been complied with.
- 5.2 The Statutory Officer Investigatory Panel shall have authority to take disciplinary action falling short of dismissal against the statutory officers and to suspend and keep under review any suspension of those statutory officers.
- 5.3 The Employment Committee will have authority to dismiss Chief Officers. Any Chief Officer so dismissed shall have a right of appeal to the Combined Authority Board in accordance with the Authority’s Appeals Procedures.
- 5.4 The Mayor or the Deputy Mayor in their place shall be a member of the Statutory Officer Investigatory Panel which meets to consider a dismissal or recommendation for dismissal under paragraph 5.1 or 5.3.
- 5.6 Members will not be involved in the dismissal of any officer at or below Deputy Chief Officer level 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.

6. Avoiding Conflicts of Interest in Dismissals and Disciplinary Action

- 6.1 No member or substitute member who has sat as a member of the Statutory Officer Investigatory Committee or Employment Committee when a recommendation or decision has been made as to the dismissal or disciplining of an officer under Section 5 above shall sit as a member of the Combined

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Authority Board when it considers any such recommendation or an appeal by the officer against any such decision.

7. Employee Code of Conduct

- 7.1 All officers are required to sign an agreement to be bound by the Employee Code of Conduct and all Chief Officers and Deputy Chief Officers are required to complete a register of interests form in accordance with the Code.

8. Officer Appointments to the Mayoral Office

- 8.1 Certain designated posts within the Mayoral office will be subject to the protocol at Annex 1. These posts are:

- (a) Chief of Staff
- (b) Mayoral Adviser and
- (c) Senior Policy Adviser.

9. Political Restriction

- 9.1 Certain posts are “politically restricted” for the purposes of Part I of the Local Government and Housing Act 1989. The Protocol on Political Restriction at Annex 2 sets out the rules which apply to such posts.

Annex 1 Protocol on Appointments within the Mayoral Office

1. General

1.1. There are three posts within the Mayoral Office which are appointed on a different basis to other Combined Authority posts. In particular:

- (a) The contracts of employment for these posts automatically end on the expiry of the Mayor's term of office;
- (b) The individuals are accountable for their performance of their duties to the Mayor;
- (c) The individuals are subject to additional requirements as to their conduct, as set out below, which do not apply to other Combined Authority officers.

2. The Legal Basis of Mayoral Appointments

2.1. Political assistants are an established part of the local government landscape and are provided for in legislation including:

- Section 9 of the Local Government and Housing Act 1989;
- The Local Authorities (Elected Mayor and Mayor's Assistant) (England) Regulations 2002; and
- The West of England Combined Authority Order 2017

2.2. There is no specific statutory authority for the appointment of political assistants in the Combined Authority. These posts within the Mayoral Office are appointed by the Mayor using the general power of competence conferred on him by Article 12 of the Cambridgeshire and Peterborough Combined Authority Order 2017.

2.3. The posts are subject to political restriction on the basis that the duties of the postholders consist in or involve giving advice on a regular basis to the Mayor themselves. The statutory provision at section 2(3) of the Local Government and Housing Act 1989 refers to giving advice to the "authority" and does not refer to advising a Mayor, but in the context of a Mayoral Combined Authority the reference to the "authority" can be taken to include the Mayor.

2.4. These posts are subject to additional restrictions as to the conduct of the postholders over and above those which apply to officers of the Combined Authority whose posts are politically restricted. The purpose of these additional restrictions is to ensure that any potential conflict between the postholders being paid from public funds and having access to public resources and with their participation in party politics is managed.

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2.5. Provided appropriate safeguards are in place the appointment of these officers is a legitimate and lawful use of the general power. These officers perform a valuable role in allowing the Mayor to obtain political advice without compromising the impartiality of other officers.

3. Duties

3.1. These postholders' duties include the following:

- (a) Reviewing papers going to the Mayor, drawing attention to any aspect which they think has particular implications for the Mayoralty;
- (b) Ensuring that sensitive political points are handled properly;
- (c) Giving policy guidance on behalf of the Mayor on any aspect of the Combined Authority's business relating to their job description and give advice to the Mayor accordingly;
- (d) Asking questions of relevant officers, probing, checking facts and research findings;
- (e) Preparing policy papers which can generate long-term policy thinking within the Combined Authority;
- (f) Contributing to policy planning within the Combined Authority, including ideas which extend the existing range of options available to the Mayor with a political viewpoint in mind;
- (g) Helping to brief Members of the Board, MPs and external officials on issues of Mayoral policy; liaising with outside interest groups; representing the Mayor at meetings and elsewhere;
- (h) Speechwriting and related research, including adding a greater degree of political content to material prepared by other Combined Authority officers;
- (i) Representing the views of the Mayor to the media, only where they have been authorised by the Mayor to do so (NB for the sake of clarity this means that these officers may not speak on behalf of the authority or the Mayor to journalists or broadcasters, except in exceptional circumstances);
- (j) Managing other mayoral appointees and Combined Authority staff appointed by the Chief Executive who provide administrative or clerical support to the Mayoral Office but the dismissal of staff, determining grievances raised by them or altering their terms and conditions of employment are the responsibility of the Chief Executive.

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- (k) Attending interview panels for senior Combined Authority staff, as observers, but decisions to appoint rest with the Chief Executive or the Director for that employee. Such attendance to be with the consent of the Chair of the Employment Committee.

4. Additional Requirements as to Conduct

4.1. These postholders are subject to all codes, protocols, guidance and agreements which apply to the conduct of officers of the Combined Authority and the restrictions which apply to politically restricted posts. In addition, they are subject to the following requirements:

- (a) Officers appointed directly by the Mayor should conduct themselves with integrity and honesty. They should not deceive or knowingly mislead the Mayor, the Board, other officers or the public. They should not misuse their official position or information acquired in the course of their official duties to further their private interests or the private interests of others. They should not receive benefits of any kind which others might reasonably see as compromising their personal judgement or integrity. They should not without authority disclose official information which has been communicated in confidence or received in confidence from others.
- (b) All officers appointed directly by the Mayor should not use Combined Authority resources for party political activity. They are employed to serve the objectives of the Authority; it is this which justifies their being paid from public funds and being able to use public resources and explains why their participation in party politics is carefully limited. They should act in a way which upholds the political impartiality of public servants. They should avoid anything which might reasonably lead to the criticism that people paid from public funds are being used for party political purposes.
- (c) In order to provide effective assistance to the Mayor, officers appointed directly by the Mayor should work closely with the senior managers in the Authority and establish relationships of confidence and trust, and should develop effective professional relationships with Members of the Combined Authority Board.
- (d) Any individual terms and conditions agreed as part of the interview process cannot amend or preclude these terms and conditions but additional terms and conditions may be agreed between the Mayor and the prospective employee, subject to consultation and agreement with the Chief Executive.

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- (e) Following receipt of any item or hospitality of a value of £25 or more, all Mayoral appointees should, within 28 days, update the register of gifts and hospitality accordingly. The register will be placed on the CPCA website. The Audit & Governance Committee is responsible for monitoring and reviewing the register through the Annual Governance Statement.
- (f) In advising the Mayor on issues in relation to a particular functional body, Mayoral appointees should be mindful of potential conflicts of interest and the need to register and declare any and all relevant interests.

5. Process for Mayoral appointments

5.1. The following sets out the process which will be applied to the appointment of officers within the Mayoral team:

- (a) Appointments must be made on merit. Recruitment to these posts must be by way of public advertisement and interview.
- (b) The process for selection of suitable candidates must be clear and test that an individual's knowledge, skills, experience and attributes meet the requirements of the role. In order to do this, a job description and person specification will be prepared for each role. An interview process to assess candidates' suitability for the role is required and each candidate must be assessed against the job description and person specification.
- (c) The Mayor should be satisfied that the individual is competent to perform the required role, based on the contents of the job description and on an assessment of candidates' skills and experience.
- (d) All job descriptions will be evaluated to independently assess the salary level for the role.
- (e) Guidance will be given to candidates during the recruitment and appointment process, and to appointees following their appointment, explaining the implications of these political restrictions.
- (f) Offers of employment will be subject to the standard employment checks.
- (g) The Mayor must report the appointments to the Board at the next scheduled meeting (this has historically been done through a Mayoral announcement at the beginning of the meeting)

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- (h) In all other regards, appointees will have the same basic terms and conditions of employment as CPCA staff appointed by the Head of Paid Service.
- (i) In the event that any grievance or disciplinary issue arises in respect of Mayoral appointees this will be considered and, as necessary, investigated through arrangements decided by the Chief Executive, who is responsible for taking any further action as he / she deems necessary.

Annex 2 Protocol on Political Restriction

The regime relating to the political restriction of officers and staff set out in Part I of the Local Government and Housing Act 1989 and the Local Government Officers (Political Restrictions) Regulations 1990 is applied to Combined Authorities by section 21(1)(jb) of the Act. The Combined Authority is therefore subject to the same rules on political restriction as its constituent councils.

The 1989 Act sets out the posts which are to be politically restricted within a local authority. The effect of political restriction is to prevent the postholder from:

- (1) Being elected or appointed as a member of a local authority [this does not apply to membership of a parish council.]
- (2) Announcing or allowing anyone else to announce their candidature for election as a member of the House of Commons, European Parliament, Scottish Parliament, Welsh Assembly or a local authority (as above)
- (3) Continuing in the employment of the authority once notice of resignation has been given to stand as a candidate for the House of Commons.
- (4) Acting as an election agent or sub-agent for a candidate for election to one of the bodies above.
- (5) Being an officer of a political party or any branch of such a party or a member of any committee or sub-committee of such a party or branch if such duties require participation in the general management of the party or branch acting on behalf of the party or branch in dealings with people other than members of the party or associated political party.
- (6) Canvassing on behalf of a political party or on behalf of a candidate for election to any of the bodies above.
- (7) Speaking to the public at large or to a section of the public with the apparent intention of affecting public support for a political party.
- (8) Publishing any written or artistic work of which the postholder is the author or co-author or any written work or collection of artistic works in which the postholder has acted in an editorial capacity or permitting anyone else to publish such a work or collection if that work appears intended to affect public support for a political party. Specifically excluded from this restriction is the display by a politically restricted post holder of a poster or other document on property occupied as a home or on a vehicle or article used by the post holder.

The restrictions on public speaking and publishing written or artistic works at (7) and (8) do not preclude a politically restricted postholder from engaging in those activities to the extent it is necessary of the proper performance of their official duties.

Chapter 18 -Officer Employment Procedure Rules

Where a post is politically restricted the terms and condition of appointment or employment for the postholder are deemed to incorporate these restrictions.

The 1989 Act sets out those posts which are politically restricted, for the purposes of the Combined Authority these fall into five categories:

- (a) Statutory Officers
[for the Combined Authority these are the Head of Paid Service [the Chief Executive], Monitoring Officer and section 73 Officer]
- (b) Non-statutory Chief Officers
[These are officers for whom the head of the authority's paid service is directly responsible, who report to directly or who are directly accountable to the head of paid service but this does not include officers whose duties are solely secretarial or clerical or in the nature of a support service]
- (c) Deputy Chief Officers
[These are officers who are required to report directly or who are directly accountable to one or more of the Chief Officers but this does not include officers whose duties are solely secretarial or clerical or in the nature of a support service]
- (d) Political assistants appointed under section 9 of the Act
- (e) Other postholders whose posts are included in a list of posts where the duties of the post consist in or involve one or both of giving advice on a regular basis to the authority themselves, to any committee or sub-committee of the authority or to any joint committee on which the authority are represented or speaking on behalf of the authority on a regular basis to journalists or broadcasters

Postholders whose posts are politically restricted on the basis that their duties involve advising the Combined Authority or its committees or sub-committees, or due to their duties involving speaking to journalists or broadcasters may apply to the Head of Paid Service for exemption from political restriction. An exemption may be granted if the Head of Paid Service is satisfied that the duties of the post do not involve those activities.

Applying for an Exemption

For the Head of Paid Service, the Statutory Officers, Directors and those who report directly to Directors or the Head of Paid Service (other than support and administrative roles), there is no ability to apply for exemption from political restriction.

Chapter 18 -Officer Employment Procedure Rules

All other individual postholders can apply for exemption. The procedure is as follows:

- (1) The postholder should submit their request in writing to the Chief Executive, outlining why they believe their post should not be politically restricted.
- (2) The HR Manager or the Monitoring Officer will advise the Chief Executive on why the post is, or should not be, politically restricted.
- (3) The Chief Executive will consider the application and decide whether the post should be exempt. The Chief Executive will take advice from the Monitoring Officer and consider whether the duties of the post fit within section 2 (3) of the Local Government and Housing Act 1989
- (4) If the Chief Executive determines the post should be exempt on the basis that its duties do not fall within the activities described in section 2(3), then the post will be removed from the list of political restricted posts and the postholder will be formally informed of this.
- (5) The Chief Executive will only make his decision based on a review of written documentation from the postholder and the Monitoring Officer.
- (6) The decision of the Chief Executive is final and there is no further right of internal appeal.

Annex 3 Disciplinary Procedures in Relation to the Head of Paid Service, Monitoring Officer and Section 73 Officer

- 1 The procedures for disciplinary action and dismissal of the Head of Paid Service [Chief Executive], Monitoring Officer and Section 73 Officer [“the statutory officers”] match the requirements of the Local Authorities (Standing Orders) (England) Regulations 2001 [as amended] which apply to the Combined Authority’s constituent councils.
- 2 Only the Combined Authority Board may dismiss the statutory officers following the procedure set out in this Annex and following the recommendation of a Statutory Officer Investigatory Panel constituted as set out below.
- 3 In any case where disciplinary action, as defined in Chapter 12 of the Constitution (Employment Committee) is to be taken against one of the statutory officers the Employment Committee shall establish a Statutory Officer Investigatory Panel to deal with the matter. The Panel shall have the authority to take disciplinary action short of dismissal against a statutory officer and to recommend to the Combined Authority Board that a statutory officer be dismissed.
- 4 The Statutory Officer Disciplinary Panel shall be made up of all the members of the Employment Committee or their substitute members, including the Mayor or Deputy Mayor acting in their place, together with at least two independent persons appointed by the Combined Authority or by other local authorities in England under section 28(7) of the Localism Act 2011 subject to the rules on appointment of independent persons to the Panel set out in Schedule 3 to the Local Authorities (Standing Orders) (England) Regulations 2001 [as amended].
- 5 Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the Combined Authority Board must take into account, in particular
 - (a) any advice, views or recommendations of the Panel;
 - (b) the conclusions of any investigation into the proposed dismissal; and
 - (c) any representations from the relevant officer.
- 6 Any remuneration, allowances or fees paid by the Authority to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person’s role as an independent person under the 2011 Act.
- 7 The Panel must be appointed at least 20 working days before a meeting of the Combined Authority Board to consider whether or not to approve a proposal to dismiss a statutory officer.

Chapter 19 - 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.

- 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.

Chapter 19 - Member Code of Conduct and Complaints Procedure

Part 1 – Member Code of Conduct and Protocols

- 1.1 The Member Code of Conduct forms Annex 1 to this Chapter.
- 1.2 The Protocol on Gifts and Hospitality forms Annex 2 to this Chapter.
- 1.3 The Protocol on Member Use of Resources and the Code of Recommended Practice on Local Authority Publicity forms Annex 3 to this Chapter.

Part 2 - Complaints Against Members of the Combined Authority

- 1.4 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.
- 1.5 Accordingly, when acting in your capacity as a Member or Co-opted Member -
 - (a) You must act in a manner consistent with the 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.
 - (b) 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.
 - (c) 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.
 - (d) When carrying out your public duties or Business Board duties you must make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, on evidence.
 - (e) You are accountable for your decisions and you must co-operate fully with whatever scrutiny is appropriate to your office or position.
 - (f) You must be as open as possible about your decisions and actions and the decisions and actions of your authority or Business Board. In

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addition, you should be prepared to give reasons for those decisions and actions.

- (g) 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 must take steps to resolve any conflicts arising in a way that protects the public interest. This includes 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...
- (h) 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.
- (i) 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 Officer² of any disclosable pecuniary interest³, 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, Co-opted Member or Business Board member, notify your authority's Monitoring Officer⁴ of any non-pecuniary interest⁵ 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

² In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's S73 Officer

³ 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.

⁴ As for footnote 1 above

⁵ 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).

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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.

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'.⁶

Following any disclosure of an interest not on the authority's register or the subject of pending notification, you must notify the Monitoring Officer⁷ 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. 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.

⁶ 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.

⁷ In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's S73 Officer

Chapter 19 - Member Code of Conduct and Complaints Procedure

Part 3 – Interests

1. Disclosable Pecuniary Interests

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

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

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4.	Land	<p>Any beneficial interest in land which is within the area of combined authority.</p> <p>For Business Board Members only Any beneficial interest you or any organisation listed in 1 may have in land or property which is within the Business Board area which is likely to be affected by a decision made by the Business Board.</p>
5.	Licences	Any licence (alone or jointly with others) to occupy land in the Combined Authority's area (or Business Board's area for Business Board Members) for a month or longer.
6.	Corporate Tenancies	<p>Any tenancy where (to your knowledge):</p> <p>(a) the landlord is the Combined Authority or Business Board; 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>
7.	Securities	<p>Any beneficial interest in securities of an organisation under 1 where:</p> <p>(a) that body (to your knowledge) has a place of business or land in the Combined Authority's area (or Business Board's area for Business Board Members); and</p> <p>(b) either:</p> <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.
- 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 (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) notify the Monitoring Officer⁸ 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 Officer⁹ in writing of that new pecuniary interest or change.

⁸ In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's S73 Officer
⁹ As above

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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 Officer¹⁰ of the interest before the end of 28 days beginning with the date of the disclosure;
 - (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 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.

¹⁰ As above

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Part 4 - 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 complaint 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 so¹¹.
- 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

¹¹ 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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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 five 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.

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

- 3.4 The Monitoring Officer may decide to consult the Independent Person.¹²

- 3.5 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:

- 3.5.1 Whether there is sufficient information upon which to base a decision;
- 3.5.2 How serious the alleged action is;
- 3.5.3 Is the complaint politically motivated, vexatious or tit for tat?
- 3.5.4 Has there been any delay between the action complained of and the complaint?
- 3.5.5 Do the allegations relate to actions occurring whilst the subject member was acting in their official capacity?
- 3.5.6 The opinion of the elected member regarding the complaint.

¹² 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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- 3.6 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.
- 3.7 Unless exceptional circumstances exist, the Monitoring Officer will always inform the member of the receipt and nature of the complaint and invite their comments.
- 3.8 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.
- 3.9 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 complaint;
 - 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

- 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;

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- (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 three 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 a local resolution; or
 - (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

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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.
- 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;

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- (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 lead member 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

- 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 five years, a member, co-opted member or officer of the combined authority, constituent council or any parish council within the Combined Authority area;

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- (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

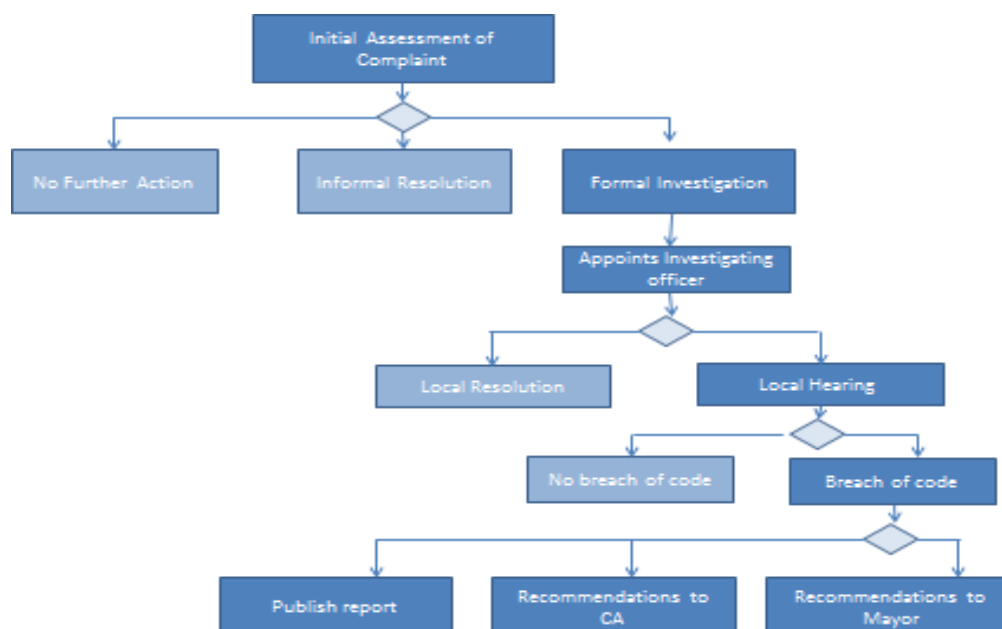
- 10.1 The Combined Authority may, by resolution, agree to amend these arrangements, and has delegated to the Chairperson of the Hearings Panel the right to depart from these arrangements where they consider it is expedient to do so to secure the effective and fair consideration of any matter.

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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Annex 1 Code of Conduct

Purpose

The purpose of this Code of Conduct is to assist members in modelling the behaviour that is expected of them, to provide a personal check and balance, and to set out the type of conduct against which appropriate action may be taken. It is also to protect yourself, the public, fellow members, Authority officers and the reputation of local government. It sets out the conduct expected of all members and a minimum set of obligations relating to conduct. The overarching aim is to create and maintain public confidence in the role of member and local government.

Application of the Code

The Code of Conduct applies to you when you are acting in your capacity as a member, co-opted member, member of the Business Board or representative of your Authority, although you are expected to uphold high standards of conduct and show leadership at all times. The Code applies to all forms of member communication and interaction, including written, verbal, non-verbal, electronic and via social media. Model conduct and expectations is for guidance only, whereas the specific obligations set out instances where action will be taken.

The seven principles of public life

Everyone in public office at all levels – ministers, civil servants, members, Authority officers – all who serve the public or deliver public services should uphold the seven principles of public life. This Code has been developed in line with these seven principles of public life, which are set out in appendix A.

Model member conduct

In accordance with the public trust placed in me, on all occasions I will:

- act with integrity and honesty
- act lawfully
- treat all persons with civility; and
- lead by example and act in a way that secures public confidence in the office of member

In undertaking my role, I will:

- impartially exercise my responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest

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- exercise reasonable care and diligence; and
- ensure that public resources are used prudently and in the public interest

Specific obligations of general conduct

This section sets out the minimum requirements of member conduct. Guidance is included to help explain the reasons for the obligations and how they should be followed. These obligations must be observed in all situations where you act as a member, including representing your Authority on official business and when using social media

As a member I commit to:

Civility

1. Treating other members and members of the public with civility.

2. Treating Authority employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.

Civility means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a member you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a civil manner. You should not subject individuals, groups of people or organisations to unreasonable or excessive personal attack.

In your contact with the public you should treat them courteously. Rude and offensive behaviour lowers the public's expectations and confidence in its elected representatives.

In return you have a right to expect courtesy from the public. If members of the public are being abusive, threatening or intimidatory you are entitled to close down any conversation in person or online, refer them to the Authority, any social media provider or if necessary, the police. This also applies to members, where action could then be taken under the Member Code of Conduct.

Bullying and harassment

3. Not bullying or harassing any person.

Bullying may be characterised as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. The bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and not always be obvious or noticed by others.

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The Equality Act 2010 defines harassment as ‘*unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual’s dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual*’. The relevant protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation.

Impartiality of officers of the Authority

4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the Authority.

Officers work for the Authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. Although you can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

Confidentiality and access to information

5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.

6. Not preventing anyone getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public except in certain circumstances. You should work on this basis but there will be times when it is required by law that discussions, documents and other information relating to or held by the Authority are treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

Disrepute

7. Not bringing my role or Authority into disrepute.

Behaviour that is considered dishonest and/or deceitful can bring your Authority into disrepute. As a member you have been entrusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on other members and/or your Authority.

Your position

8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.

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Your position as a member of the Authority provides you with certain opportunities, responsibilities and privileges. However, you should not take advantage of these opportunities to further private interests.

Use of Authority resources and facilities

9. Not misusing Authority resources.

You may be provided with resources and facilities by the Authority to assist you in carrying out your duties as a member. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given to you to help you carry out your role as a member more effectively and not to benefit you personally. You should familiarise yourself with the Authority's Protocol on Member Use of Resources and the Code of Recommended Practice on Publicity.

Interests

10. Registering and declaring my interests.

You need to register your interests so that the public, Authority employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a document that can be consulted when (or before) an issue arises, and so allows others to know what interests you have, and whether they might give rise to a possible conflict of interest. The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise.

It is also important that the public know about any interest that might have to be declared by you or other members, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained. Discuss the registering and declaration of interests with your Monitoring Officer and more detail is set out in appendix B.

Gifts and hospitality

11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the Authority or from persons who may apply to the Authority for any permission, licence or other significant advantage.

12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

You should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a member. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family, or gifts which you do not accept. However, you may wish to notify your monitoring officer of any significant

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gifts you are offered but refuse which you think may have been offered to influence you. You should familiarise yourself with the Authority's Protocol on Gifts and Hospitality.

Breaches of the Code of Conduct

Most members conduct themselves appropriately and in accordance with these standards. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations.

Section 27 of the Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by members and co-opted members of the authority. Each local authority must publish a code of conduct, and it must cover the registration of pecuniary interests, the role of an 'independent person', and sanctions to be imposed on any members who breach the Code.

The 2011 Act also requires local authorities to have mechanisms in place to investigate allegations that a member has not complied with the Code of Conduct, and arrangements under which decisions on allegation may be made.

Failure to comply with the requirements to register or declare disclosable pecuniary interests is a criminal offence. Taking part in a meeting or voting, when prevented from doing so by a conflict caused by disclosable pecuniary interests, is also a criminal offence.

Political parties may have its own internal standards and resolution procedures in addition to the Member Code of Conduct that members should be aware of.

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Code Appendix A

The principles are :

Selflessness

Holders of public office should act solely in terms of the public interest.

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.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias. 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.

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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. Honesty Holders of public office should be truthful.

Honesty

Holders of public office should be truthful.

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.

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Code Appendix B

Registering interests

1. Within 28 days of this Code of Conduct being adopted by the Authority or your election or appointment to office (where that is later) you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) and Table 2 (Other Registerable Interests).
2. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest in Table 1 or 2, or of any change to a registered interest, notify the Monitoring Officer.

Declaring interests

3. Where a matter arises at a meeting which directly relates to an interest in Table 1, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
4. Where a matter arises at a meeting which directly relates to an interest in Table 2, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
5. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
6. Where a matter arises at a meeting which affects –
 - (a) your own financial interest or well-being;
 - (b) a financial interest or well-being of a friend, relative, close associate; or
 - (c) a body covered by table 1 below
 you must disclose the interest.
7. Where the matter affects the financial interest or well-being to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all

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the facts would believe that it would affect your view of the wider public interest you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

Table 1: Disclosable Pecuniary Interests

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the Authority) made to the member during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a member, or towards his/her 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>
Contracts	<p>Any contract made between the member or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the Authority —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the Authority.</p> <p>'Land' excludes an easement, servitude, interest or right in or over land which does not give the member or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.</p>

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Licences	Any licence (alone or jointly with others) to occupy land in the area of the Authority for a month or longer
Corporate Tenancies	Any tenancy where (to the member's knowledge)— (a) the landlord is the Authority; and (b) the tenant is a body that the member, or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the member's knowledge) has a place of business or land in the area of the Authority; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (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 member, or his/ her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

*'director' includes a member of the committee of management of an industrial and provident society.

*'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

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Table 2: Other Registerable Interests

Any Body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the Authority;

- Anybody -
- (a) exercising functions of a public nature;
 - (b) directed to charitable purposes; or
 - (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

Annex 2 Protocol on Gifts and Hospitality

1 Introduction

- 1.1 This protocol applies to the Mayor, Combined Authority Board Members, Business Board Members and Members of the Combined Authority's Committees and Boards when they act in that capacity. It also applies to co-opted members of the Combined Authority's Committees who are not elected members of the Combined Authority's constituent councils. It should be read in conjunction with the Member Code of Conduct. For the purpose of dealing with any complaints about the conduct of Members this Protocol is deemed to form part of the Member Code of Conduct. The Code of Conduct for the officers of the Combined Authority also imposes obligations on officers in relation to the declaration of gifts and hospitality.

2 Gifts and Hospitality

- 2.1 Gifts and Hospitality will include any gift, hospitality, offer or favour which is offered to a Member personally, whether or not the gift or hospitality is accepted. The definition includes gifts and hospitality offered to either a Member or to the family and friends of Members which arise from the position of the Member and common examples would be:
- Any offer of a gift of goods or services without payment;
 - Any offer of goods or services at a discount not available to the public;
 - Any offer of food, drink, travel or accommodation;
 - Any invitation to attend a cultural or sporting event without payment or at a discounted rate;
- 2.2 If you accept gifts and hospitality when it is not appropriate to do so it can damage both your own reputation and the reputations of the Combined Authority and any constituent council of which you are a member. In some circumstances, as set out in paragraph 3 below you may commit a criminal offence by accepting gifts or hospitality. As set out in the Member Code of Conduct, you should avoid placing yourself under any obligation to people or organisations that might try to influence you inappropriately in your work for the Combined Authority.
- 2.3 The decision on whether to accept a particular offer of a gift or hospitality is a matter for you. Whether you should accept a gift or hospitality will depend upon all the circumstances in which the offer is made but you should also consider how the acceptance of the gift or hospitality will be perceived by others. If in doubt you should always seek advice from the Combined Authority's Monitoring Officer or the Chair of the Combined Authority's Audit & Governance Committee.

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2.4 The kind of gifts or hospitality it may be appropriate to accept would include:

- Gifts worth less than £25 such as calendars, diaries, pens and flowers;
- Gift and hospitality provided by a public body;
- Simple refreshment provided at a meeting such as tea, coffee and biscuits;
- A simple working meal at which business is discussed;

But whether an individual offer should be accepted will always depend on all the circumstances and you should note the rules set out in paragraph 4 below about registration of gifts and hospitality. You must never solicit any gift or hospitality as a Member.

2.5 The kind of gifts it would not be appropriate to accept would include:

- Any gift in the form of cash or another form of direct payment;
- Any gifts in the form of holidays, including accommodation or travel arrangements;
- Any gift or hospitality intended to influence what you do as a Member or to put you under an obligation to the donor. In particular you should not accept any offer from a person or organisation which is involved in, or which may become involved in the future in
 - Any procurement exercise being run by the Combined Authority;
 - Any application for a grant, loan or other financial assistance from the Combined Authority;
 - Any legal dispute with the Combined Authority;
- Any gift or hospitality that is of significant value or where the value is disproportionate in the circumstances;

2.6 If you suspect that the motive behind an offer of a gift or hospitality is an inducement for you to make a particular decision or a reward for doing so you must decline it. Similarly, if accepting a gift or hospitality would be open to misinterpretation you should decline it.

2.7 This protocol only applies to gifts and hospitality you may receive in your capacity as a Member of the Combined Authority and does not apply to gifts and that are not related to your position as a Member, such as birthday or Christmas gifts from family and friends. If you are also an elected member of one of the Combined Authority's constituent councils you will also be subject to your council's Code of Conduct and rules on gifts and hospitality.

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3 The Criminal Law

- 3.1 Under the Bribery Act 2010 it is a criminal offence to request, agree to receive or accept a financial or other advantage as a reward for the improper performance of any function of a public nature.
- 3.2 If you believe a person or organisation may have been offered a bribe, you should immediately report the matter to the Combined Authority's Monitoring Officer or to the Police.

4 Registration of Gifts and Hospitality

- 4.1 You must register any offer of a gift or hospitality with an estimated value of at least £25 with the Combined Authority's Monitoring Officer within 28 days of its receipt. The registration must include details of the source of the gift or hospitality, a description, its estimated value, whether the gift or hospitality was accepted and what the Member has done with a gift.
- 4.2 If you are offered gifts or hospitality with a total value of at least £100 from the same source over a twelve month period you should register them with the Monitoring Officer regardless of whether any individual offer had an estimated value of at least £25.
- 4.3 If you are not sure of the value of the gift or hospitality it is good practice to register it anyway.
- 4.4 The Register of Gifts and Hospitality will be published on the Combined Authority's website.

5 Breaches of this Protocol

- 5.1 Breaches of this Protocol will be dealt with as breaches of the Member Code of Conduct. The Audit & Governance Committee has oversight of the Member Code of Conduct and responsibility for hearing complaints about Member conduct which have been referred to them by the Combined Authority's Monitoring Officer.
- 5.2 Allegations of any breach of this Protocol should be made in writing to the Combined Authority's Monitoring Officer.

6 Advice and Support

- 6.1 You should seek advice from the Combined Authority's Monitoring Officer or the Chair of the Audit & Governance Committee if you are uncertain how to deal with an offer of a gift or hospitality.

Annex 3 Protocol on Member use of Resources and the Code of Recommended Practice on Local Authority Publicity

1 Introduction

- 1.1 The Combined Authority provides resources to its elected members and to members of the Business Board in order to assist them in performing their duties. These resources include:
- Office Premises
 - Stationery, postage, telephones, copying facilities
 - Administrative and Secretarial Support
 - Laptops
 - Email accounts
- 1.2 The Combined Authority's Member Code of Conduct includes the following on use of the Authority's resources:

As a member I commit to:

9. Not misusing Authority resources.

You may be provided with resources and facilities by the Authority to assist you in carrying out your duties as a member. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given to you to help you carry out your role as a member more effectively and not to benefit you personally. You should familiarise yourself with the Authority's Protocol on Member Use of Resources and the Code of Recommended Practice on Publicity.

Any breach of the requirements of this protocol will be deemed to be a breach of the Member code of Conduct. If any elected member wishes to have advice on the use of the Authority's resources they should contact the Authority's Monitoring Officer.

2 Use of Information and Communications Technology

- 2.1 All use of ICT by elected members is subject to the Authority's ICT policies which govern the use of laptops, the Authority's networks and mobile devices provided by the Authority. These policies also apply to the Authority's officers.

3 The Code of Recommended Practice on Local Authority Publicity

- 3.1 Section 2 of the Local Government Act 1986 states:

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2.— Prohibition of political publicity.

(1) A local authority shall not publish [, or arrange for the publication of,] any material which, in whole or in part, appears to be designed to affect public support for a political party.

(2) In determining whether material falls within the prohibition regard shall be had to the content and style of the material, the time and other circumstances of publication and the likely effect on those to whom it is directed and, in particular, to the following matters—

(a) whether the material refers to a political party or to persons identified with a political party or promotes or opposes a point of view on a question of political controversy which is identifiable as the view of one political party and not of another;

(b) where the material is part of a campaign, the effect which the campaign appears to be designed to achieve.

(3) A local authority shall not give financial or other assistance to a person for the publication of material which the authority are prohibited by this section from publishing themselves.

This prohibition applies to all publicity produced by the Authority but is of particular importance during the period before elections.

- 3.2 This prohibition applies to the Authority and the government has issued the Code of Recommended Practice on Local Authority Publicity under section 4 of the 1986 Act. Section 6 of the 1986 Act defines “publicity” as:

“any communication in whatever form, addressed to the public at large or a section of the public”

And the Code confirms that this will include paid advertising and leaflet campaigns, publication of free newspapers and newssheets and maintenance of websites – including the hosting of material which is created by third parties.

- 3.3 The Code states that local authority publicity should:

- be lawful
- be cost effective
- be objective
- be even-handed

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- be appropriate
- have regard to equality and diversity
- be issued with care during periods of heightened sensitivity

The Code confirms that, except during periods of heightened sensitivity, it is acceptable for local authorities to publicise the work done by individual members of the authority, and to present the views of those individuals on local issues. However, publicity material produced by local authorities relating to a particular member must not seek to affect public support for that individual.

- 3.4 The Code refers to periods of heightened sensitivity before elections and referendums and requires local authorities to pay particular regard to the legislation on publicity during such periods. The Code states:

During the period between the notice of an election and the election itself, local authorities should not publish any publicity on controversial issues or report views or proposals in such a way that identifies them with any individual members or groups of members. Publicity relating to individuals involved directly in the election should not be published by local authorities during this period unless expressly authorised by or under statute. It is permissible for local authorities to publish factual information which identifies the names, wards and parties of candidates at elections.

- 3.5 It is therefore not permitted for members to use the Authority's resources for political purposes such as promoting a particular candidate or political party in an election or a particular outcome in a referendum.

4 Personal Use of the Authority's Resources

- 4.1 Personal use of ICT equipment and resources is covered by the policies referred to at paragraph 2.1 above.
- 4.2 As above at paragraph 1.2, the Member Code of Conduct reminds members that resources and facilities provided to them by the Authority are provided to help them carry out their roles as members more effectively and not to benefit them personally.

Appendix 1 – Lead Member Responsibilities

Appendix 1 - Lead Member Responsibilities

Lead Member Responsibilities	Key Responsibilities	Lead Member
Mayor (Also Lead Member for Policy and Governance)	<p>Leadership of the Combined Authority</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>Chair of Combined Authority</p> <p>Nominating lead member responsibilities and chairs of executive committees</p> <p>Public sector reform</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> <p>Assurance and Monitoring and Evaluation Frameworks</p> <p>The Mayor has executive functions in relation to the Mayoral budget and non-statutory spatial planning</p> <p>Communications Strategy</p>	James Palmer, Mayor

Appendix 1 – Lead Member Responsibilities

Lead Member Responsibilities	Key Responsibilities	Lead Member
Deputy Mayor (statutory) & Lead Member for Economic Growth	<p>The Deputy Mayor carries a statutory responsibility and acts on behalf of the Mayor as designated or in their absence.</p> <p>Lead Member of the Business Board (local enterprise partnership) for the Combined Authority</p> <p>In conjunction with the Business Board, responsible for the development of the Local Industrial Strategy Aligning delivery of the Local Industrial Strategy with the strategic framework of the Combined Authority</p> <p>Relations with the business community, industry and enterprise</p> <p>Combined Authority local and national ambassador for key business sectors:</p> <ul style="list-style-type: none"> • Life Sciences and Healthcare • Advanced Manufacturing • Agritech • ICT, Digital and Creative <p>Place-based growth strategies including Market Towns and Core Cities</p> <p>Enterprise zones</p> <p>Impact of Brexit</p>	Cllr John Holdich
Skills and Chair of the Skills Committee	<p>Skills Strategy: Employer focused skills system</p> <p>Peterborough University</p> <p>Apprenticeships and Pathways to Employment Scheme</p> <p>Adult Education Devolution</p>	Cllr John Holdich

Appendix 1 – Lead Member Responsibilities

Lead Member Responsibilities	Key Responsibilities	Lead Member
	<p>Education Committee and coordination lead with Regional Schools Commissioner</p> <p>Coordination with the Department for Education on the Opportunity Area programme</p> <p>Centre for Skills (in conjunction with the Business Board)</p> <p>The Skills Framework and Action Plan for Adult Education</p> <p>Coordination with DWP and the Work & Health Programme</p> <p>Innovation Fund and the Health and Care Sector Work Academy</p> <p>16+ Area Review outcomes</p> <p>Apprenticeship Grant for Employers of 16 to 24 years</p>	
Spatial Planning and Chair of the Land Commission	<p>Non-statutory spatial plan</p> <p>Developing and managing the delivery of the Non Statutory Spatial Plan</p> <p>Chair of Land Commission - supply of public sector land</p>	Cllr Chris Boden
Transport and Infrastructure and Chair of the Transport and Infrastructure Committee	<p>Development of Local Transport Plan (for approval by Board)</p> <p>Sustainable transport</p> <p>Bus strategy</p> <p>Monitoring and delivery of and budget for major transport and connectivity programmes</p> <p>Development of the Transport Levy for recommendation to the board</p>	James Palmer, Mayor

Appendix 1 – Lead Member Responsibilities

Lead Member Responsibilities	Key Responsibilities	Lead Member
	<p>Road network and infrastructure</p> <p>Key transport partnerships including Network Rail and private sector transport providers</p> <p>Lead Member for Local Highways Authorities and the Strategic Highway Authority</p> <p>Climate Change</p>	
Finance	<p>Strategic fiscal planning</p> <p>Investment strategy</p> <p>Budget setting and monitoring</p> <p>Financial planning and treasury management</p> <p>Investment management</p> <p>Facilitating inward investment</p> <p>Audit and financial governance</p> <p>Assurance Framework and Monitoring and Evaluation Framework</p>	Mayor James Palmer
Housing and Chair of the Housing and Communities Committee	<p>Development of the Housing Strategy</p> <p>Overseeing the delivery of major housing schemes – including the Housing Investment Fund</p> <p>Monitoring and reporting to the Combined Authority Board on the affordable housing programmes, including:</p> <ul style="list-style-type: none"> • Delivery of the £100M housing devolution investment fund for the Combined Authority area 	Cllr Chris Boden

Appendix 1 – Lead Member Responsibilities

Lead Member Responsibilities	Key Responsibilities	Lead Member
	<ul style="list-style-type: none"> • Delivery of the £70M housing devolution investment fund to support Cambridge City <p>Strategic relationships with the HCA, housing providers, developers and builders</p> <p>Culture and Tourism</p> <p>Lead member for the Connecting Cambridgeshire Project</p> <p>Wellbeing and Public Health issues across all Portfolios</p> <p>Social action and the voluntary, community and social enterprise sector</p> <p>Community Lead Member and Responsibility for the consultation strategy</p>	

Appendix 2 – Co-opted Members

Appendix 2 - 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 3 - Cambridgeshire and Peterborough Land Commission

1. Purpose of the Working Group

- 1.1. The Cambridgeshire and Peterborough Land Commission was established by decision of the Combined Authority Board on 20 December 2017.
- 1.2. To bring forward the supply of land for development to meet Cambridgeshire and Peterborough's growth needs
- 1.3. Develop a comprehensive database of available land across Cambridgeshire and Peterborough, focussing first on public land
- 1.4. Identify barriers to the disposal and development of key strategic sites
- 1.5. Take account of existing analysis and plans across the area
- 1.6. Work with partners and authorities to develop solutions and make recommendations to the CPCA Board to overcome those barriers
- 1.7. 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
- 1.8. 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 membership of the Land Commission Board is:
 - (a) Combined Authority Lead Member for Spatial Planning (Chair)
 - (b) Combined Authority Lead Member for Housing
 - (c) Combined Authority Lead Member for Investment and Finance
 - (d) Cambridgeshire County Council representative

Appendix 3 – Cambridgeshire and Peterborough Land Commission

- (e) Senior Government Representative – DCLG
- (f) NHS/Health Representative
- (g) Homes England Representative
- (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.

5. Duration of Commission

- 5.1. The Commission should report back to the Combined Authority Board 18 months after its establishment in the tasks set out above (July 2019).

Appendix 3 – Cambridgeshire and Peterborough Land Commission

6. Accountability

- 6.1. The Commission reports to the Mayor and the Combined Authority of Peterborough and Cambridgeshire.

Appendix 4 - Public Services Reform and Innovation Commission

1. Terms of Reference

- 1.1. The Cambridgeshire and Peterborough Public Services Reform and Innovation Commission was established by decision of the Combined Authority Board on 26 September 2018.
12. The terms of reference for the Commission are outlined below. It is proposed that the Commission will:
 - (a) Provide objective and independent advice and critical thinking on ways to make the public sector in Cambridgeshire and Peterborough more effective, responsive and financially sustainable for the future, and in particular to consider the scope for bringing services closer to the people and communities they serve in individual places;
 - (b) Consider evidence on the likely future demands on public services, on developments in technology and practice, and on future trends in public revenue to fund services;
 - (c) Consider new ideas, innovation proposals and best practice from elsewhere, both in the UK and globally, that may be of value in improving services in Cambridgeshire and Peterborough;
 - (d) Make recommendations for achievable reforms to the way public services are delivered and funded, paying particular attention to the scope for bringing services closer to the people and communities they serve in individual places;
 - (e) Bring forward suggestions and recommendations about the levers that the Mayor and Combined Authority can influence to support delivery of the Commission's recommendations;
 - (f) Support the Combined Authority in making the case for public sector reform;

Appendix 4 – Public Services Reform and Innovation Commission

- (g) Secure input from local partners, government departments, business, academia and subject experts to support the Combined Authority in making the case for public sector reform;
- (h) Promote and foster a common understanding of the future development of the reform programme in support of the area's wider economic and social ambitions and the long-term drivers for change.

2. Membership

21. The membership of the Commission is:

- (a) Independent Chair
- (b) Four independent directors

Director Delivery and Skills to support the work of the Commission.

3. Governance

31. The Commission will not be a decision-making body. Its purpose is to support, inform and challenge the development of the Cambridgeshire and Peterborough health and social care proposition.

4. Duration of Commission

41. In the first instance, the Commission was invited to focus on supporting the Combined Authority's agreed programme of work on reform in the health and care sector. The Commission is expected to submit a report on that issue during 2020.

5. Allowances

51. Allowance Scheme approved by the Combined Authority Board upon the recommendations of an independent remuneration panel on 26 June 2019 as follows:

- (a) Co-optee allowance of £500 per month for ordinary Commission Members and £850 per month for the Commission Chair, to include travelling expenses to Commission meetings.
- (b) That the allowances be backdated to the commencement date of the Commission.

Appendix 4 – Public Services Reform and Innovation Commission

- (c) That travel and other expenses continue to be paid in accordance with the Scheme approved by the CA Board, subject to (a) above.
- (d) That the indexation factor be set as the Consumer Price Index (CPI).

6. Budget

- 6.1. Up to £450,000 for 2018/19 from within existing approved allocation for Public Sector Reform.

7. Accountability

- 7.1. The Commission reports to the Mayor and the Combined Authority of Peterborough and Cambridgeshire.

Appendix 5 - Business Board

Part 1 – Functions and Membership

1. Governance

12. Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the Department of Business Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.
13. The Business Board is a non-statutory body which is the Local Enterprise Partnership for its area. 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.

2. Current Geographical area (under review)

- 2.1. The current geographical area is under review. The Department for Business Enterprise and Industry are considering proposals for a coterminous boundary with the Combined Authority.
- 2.2. The geographical area of the Business Board is set out in the table below:

District	Areas	Council
Cambridgeshire		Cambridgeshire County Council
Cambridge		Cambridge City Council
East Cambridgeshire	Ely, Littleport and Soham	East Cambs DC
Fenland	Wisbech, March Whittlesey & Chatteris	Fenland DC
Huntingdonshire	Huntingdon, St Ives, St Neots and Ramsey	Huntingdonshire DC
South Cambridgeshire	Cambourne	South Cambs DC

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Peterborough		Peterborough City Council
North Hertfordshire	Royston	North Hertfordshire DC
South Kesteven (Lincs)	Grantham, Stamford, Bourne and Market Deeping.	South Kesteven DC
Rutland	Oakham	Rutland County Council
West Suffolk	Bury St Edmunds, Haverhill, Newmarket and Mildenhall	West Suffolk Council
Uttlesford (Essex)	Saffron Walden, Great Dunmow, Stansted Mountfitchet and Thaxted	Uttlesford DC
West Norfolk & King's Lynn	King's Lynn, Downham Market and Hunstanton	BC of King's Lynn and West Norfolk
South Holland (Lincs)	Spalding, Crowland, Donington, Holbeach, Long Sutton and Sutton Bridge	South Holland DC

3. Functions

- 3.1.** In Mayoral combined authorities, there is a requirement to have a single local industrial strategy. The strategy provides the basis for investment decisions for the Cambridgeshire and Peterborough Combined Authority as the accountable decision-making authority.¹³ The Business Board has a vital leadership role to play in its development and is the custodian of the strategy. The Mayor will work in partnership with the Business Board to jointly develop and agree the strategy¹⁴, and the Combined Authority will be responsible for its delivery.
- 3.2.** The Business Board will allocate local growth funds to improve economic opportunity in the area and will monitor the delivery of funded projects.

¹³ See Industrial Strategy: Building a Britain fit for the future, DBE&IS 27 November, 2017

¹⁴ See Industrial Strategy: Building a Britain fit for the future, DBE&IS 27 November, 2017

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- 3.3. Working in conjunction with the Combined Authority the Business Board will develop initiatives to address the local skills challenges and will play a key role in developing the University of Peterborough as an employer focused provider of higher education.
- 3.4. The Business Board will act as an enabler for delivery of sector deals at local level.
- 3.5. The Business Board will support applications for the Industrial Strategy Challenge Fund programme and will work collaboratively with the Combined Authorities universities, businesses and research organisations to produce programmes which impact productivity.
- 3.6. In accordance with the Single Pot Assurance Framework National Guidance, the Business Board and the Combined Authority Board, as the accountable decision-making body, have agreed a single local assurance framework which was approved by the Ministry of Housing, Communities and Local Government. The Assurance Framework will be reviewed annually. All decisions must comply with the framework.

4. Terms of Reference

- 4.1. The purpose of the Business Board is set out below¹⁵:

Strategy:

- (a) In collaboration with the Cambridgeshire and Peterborough Combined Authority, develop and deliver an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- (b) Set strategy and commission interventions to drive growth, jobs and private sector investment to deliver the strategy.

¹⁵ These four roles are set out in Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

Appendix 4 – Public Services Reform and Innovation Commission

Allocation of funds

- (c) Identify and develop investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- (d) ensure that bids for public funding made available by government support economic growth.
- (e) ensure any decisions which are made in contravention of the process will be invalid.

Co-ordination

- (f) Use its Business convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- (g) Ensure Business Board and Combined Authority policy and decisions receive the input and views of key business leaders and take account of the views of the wider business community.
- (h) Engage with local businesses to understand the needs of different sectors and markets.

Advocacy

- (i) Collaborate with a wide-range of local partners to act as an informed and independent voice for business across their area.
- (j) Engage businesses, opinion formers and policy makers at a national and international level in promoting economic growth in the region.

4.2. In pursuit of this role the Business Board will:

- (a) In collaboration with the Cambridgeshire and Peterborough Combined Authority develop local agreements which clearly set out their respective roles, responsibilities and accountability
- (b) Produce an annual delivery plan and end of year report in accordance with Government guidance
- (c) Develop, agree and review a joint Combined Authority and Business

Appendix 4 – Public Services Reform and Innovation Commission

Board Assurance Framework

- (d) Support the supply of skills to an area as they respond to the Skills Advisory Panels programme
 - (e) capture and communicate business requirements for changes to, and development of, economic policy and commission associated appropriate interventions
 - (f) work collaboratively with all partners, including the Combined Authority and Local Authorities, to address barriers to growth and drive efficiency
 - (g) bring together intelligence and expertise to identify priorities and develop solutions to maximise private sector investment in the local enterprise and combined authority area, and secure sustainable growth
 - (h) work to create an environment for business growth ensuring appropriate mechanisms exist through which, as a co-ordinated voice, the private sector can inform and influence the shape and future direction of local and national government policy.
 - (i) have strategic oversight for the delivery of the Enterprise Zone Programme
- 4.3. To ensure the Business Board is effective in this role it has the authority to:
- (a) engage in dialogue with Government and respond to policy, proposals and opportunities to bid for funding in support of economic growth
 - (b) engage with investors, businesses and advisors to secure growth opportunities
 - (c) develop and consult on regional economic policy, programmes and interventions designed to maximise growth in the region
 - (d) provide leadership in key themes and priorities to promote growth
 - (e) raise the profile, image, reputation and influence of the Business Board and Combined Authority area at a regional, national and international level.

Appendix 4 – Public Services Reform and Innovation Commission

5. Legal Status

- 5.1. The Business Board is an informal partnership. It does not have legal status to enter into contracts and will act through the Cambridgeshire and Peterborough Combined Authority as the Accountable Body.

6. The Business Board's accountable body

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

7. Role of Members and Accountability

- 7.1. Irrespective of his or her background or geography, it is the duty of a Business Board member to act in the best interests of the Local Enterprise area and in accordance with the policies of the Business Board.
- 7.2. All private sector members of the Business Board act in their individual capacity and not as representatives of their respective organisations.
- 7.3. All Business Board members are expected to discharge their duties in line with the Nolan Principles for Standards of Public Life¹⁶ and the Code of Practice for Board Members of Public Bodies¹⁷. Members must comply with the Business Board Code of Conduct. Political Leaders who are Members of the Combined Authority must also comply with the Business Board Code of Conduct in addition to that of the Combined Authority.
- 7.4. All Business Board and sub-committee or sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

¹⁶ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

¹⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/409604/code-of-conduct_tcm6-38901.pdf

Appendix 4 – Public Services Reform and Innovation Commission

8. Membership

- 8.1. The Business Board membership will comprise of up to 14 members; two public sector members and up to 12 business representatives as follows:

Public Sector Representatives

- 8.2. The Mayor and the Lead Member for Economic Growth of the Combined Authority shall be members of the Business Board by virtue of their office. The Combined Authority may appoint at least one Substitute Member to act in their absence. These shall be non-voting members of the Board.

Private Sector Representatives

- 8.3. Up to 12 business representatives— one member will be appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one member will represent the education sector and one member will be appointed as an international business representative.
- 8.4. The Business Board membership meets the requirements for two thirds of the Business Board members to be private sector representatives and does not exceed the maximum of 20 members¹⁸.
- 8.5. Whilst all appointments to the Business Board will be on merit, in accordance with Government requirements, the Business Board will aim to improve the gender balance and representation of those with protected characteristics on its board with the following aims:
- (a) that women make up at least one third of Business Board
 - (b) with an expectation for equal representation by 2023, and
 - (c) ensure its Board is representative of the businesses and communities they serve¹⁹.

¹⁸ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

¹⁹ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

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9. Recruitment, Appointment and Termination of Private Sector Members

9.1. The private sector representatives, the Chair and the Vice Chair of the Business Board 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, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Business Board's Appointments Panel.

9.2. Formal Appointments Panels will be constituted as follows

Position	Panel
Appointment of a Chair	Mayor of Cambridgeshire and Peterborough Combined Authority or the Combined Authority's Lead Member for Economic Growth plus two private sector Business Board members supported by the Director of Business and Skills or his/her nominee.
Appointment of private sector board Members	Chair or Vice-Chair of the Business Board Mayor of Cambridgeshire and Peterborough Combined Authority or the Combined Authority's Lead Member for Economic Growth supported by the Director of Business and Skills or his/her nominee
Vice-Chair	Mayor of Cambridgeshire and Peterborough Combined Authority or the Combined Authority's Lead Member for Economic Growth plus two private sector Business Board members supported by the Director of Business and Skills or his/her nominee.

Interview panels will be advised by the Director of Business and Skills.

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Requirements for Private Sector Representatives

- 9.3. The Private Sector Board members must not:
- (a) 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;
 - (b) be a non-executive director or officer of an NHS Trust;
 - (c) be subject to a bankruptcy restriction order or interim order;
 - (d) be subject to a sexual risk order or be on the sexual offender's register;
 - (e) be subject to a civil injunction or criminal behaviour order;
 - (f) be disqualified from acting as a director, a charter trustee or charity trustee
 - (g) within five years before the date of submission of application, have been a director or person of significant control of a company subject to a creditor's compulsory liquidation
 - (h) within five 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 three months without the option of a fine.
 - (i) be an active member of parliament, serve as an officer in any recognised political party or make substantial personal contributions to any recognised political party
- 9.4. Members should be employed by, or have a substantial interest (by virtue of ownership / control) in businesses in the area served by the Business Board
- 9.5. The Appointments Panel shall appoint the **private sector representatives** to the Business Board following an interview process and completion of the induction programme.
- 9.6. 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.
- 9.7. Following a recruitment process, where there are more appointable candidates than vacancies, a reserve list of suitable candidates for the positions of Chair, Vice Chair and private sector representative will be maintained for 12 months.

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Appointment

- 9.8. A formal offer will be made to successful candidates. On appointment Board members are required to sign a declaration affirming their understanding and commitment to the Code of Conduct.
- 9.9. 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;
 - (b) identifies each Business Board member who has been appointed and any substitute members; and
 - (c) specifies the term of office of those appointed
 - (d) publishes the members' and substitute members' register of interest form.

Term of Appointment

- 9.10. The term of office for **private sector representatives** will normally be a maximum of three years, and subject to a maximum of one consecutive term, 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 Monitoring Officer;
 - (c) the Business Board terminates the membership of any private sector representative which it may do at any time or
 - (d) upon receipt of a vote of no confidence by the Combined Authority Board, the Board must consider whether to terminate the terms of office of the Chair at the next meeting of the Board.
- 9.11. 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 Monitoring Officer.

Appendix 5 – Business Board

- 9.12. The Business Board may appoint co-opted members as necessary to complement the skills and expertise on the Board. Membership may not exceed 20 members.

10. Chair and Vice-Chair of Business Board

- 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, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Business Board's Appointments Panel. The Business Board will consult widely and transparently with the business community before appointing a new Chair and Vice Chair.
- 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 Vice Chair if they cease to be a Business Board member.
- 10.4. The terms of office of the Chair and Vice Chair will be for two (2) years with one consecutive term permitted upon unanimous vote of the Board members present and voting.
- 10.5. The Chair and Vice Chair are voting members of the Combined Authority Board.
- 10.6. The Vice-Chair will be the Chair's substitute on the Combined Authority Board.

Resignation of Private Sector Representatives

Resignation of the Chair

- 10.7. Where there is a resignation of the Chair, the Vice Chair will assume all responsibilities of the Chair until the appointment of a permanent Chair, from the reserve list or following an open, transparent and non-discriminatory recruitment process.

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Resignation of the Vice Chair

- 10.8. Where there is a resignation of the Vice Chair, the Chair may appoint any private sector representative into position of Vice Chair, on an interim basis until a permanent appointment is made from the reserve list or following an open, transparent and non-discriminatory recruitment process.

Resignation of Private Sector Representatives

- 10.9. Where there is a resignation of any private sector representative, an appointment will be made from the reserve list or following an open, transparent and non-discriminatory recruitment process.

11. Code of Conduct and Register of Interests

- 11.1. Every Business Board member must sign and comply with the Business Board member code of conduct.

12. Co-opted Members

- 12.1. Where specific skills or abilities are required which are not available among existing members co-optees may be appointed to the Business Board. The appointment will be made by the Chair, in consultation with the Board, for 12 months. Co-opted members will not have voting rights and will not count towards the quorum. In accordance with Government Guidance, the maximum number of co-opted members should not exceed five.

13. Committees

- 13.1. The Business Board may establish committees or sub-committees as it thinks fit to discharge its functions. The Business Board has established the following committee:

- (a) Eastern Agri-Tech Programme Board (a sub board of the Business Board);

- 13.2. The terms of reference and membership are appended at Appendix 1 and their delegation of powers are set out in Part 3.

14. Working Groups

- 14.1. The Business Board may appoint informal non-decision making working groups. Any such subordinate body set up by the Business Board shall include one or more Business Board Members, as nominated by the Board. With the

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consent of the Chair, any such group may also co-opt onto it any independent person with the relevant expertise - judged against pre-determined criteria - on the issues within the remit of these groups.

- 14.2. The remit and terms of reference for any such subordinate body shall be approved by the Business Board.
- 14.3. The Business Board has established the following working group:
 - (a) Local Growth Fund Entrepreneur Assessment Panel.
- 14.4. The terms of reference and membership are appended at Appendix 2.
- 14.5. The Business Board has established the following working groups to oversee Enterprise Zone delivery and management
 - (a) Enterprise Zone Programme Board (Alconbury Weald) and
 - (b) Enterprise Zone Project Boards (Cambridge Compass).
- 14.6. The terms of reference and membership are appended at Appendix 3.

15. Scrutiny Arrangements

- 15.1. The Combined Authority's Overview and Scrutiny Committee may review or scrutinise any Combined Authority decision in its role as accountable body for the Business Board. The Combined Authority's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Business Board decision-making and achievements.
- 15.2. Any Business Board member may be asked to attend, or otherwise contribute to, a meeting of the Combined Authority's Overview and Scrutiny Committee.
- 15.3. 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.

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16. Complaints and Whistleblowing

- 16.1. 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.
- 16.2. Any complaint about an individual Business Board member alleging a breach of the Code of Conduct will be dealt with in accordance with paragraph 16.1 above.
- 16.3. Any whistleblowing concerns raised about the Business Board will be dealt with under the Combined Authority and Business Board's Whistleblowing Policy.
- 16.4. Each of these procedures or policies shall be published on the Combined Authority website and accessible from the Business Board's website.

17. Remuneration

- 17.1. Allowances or expenses shall be payable to Business Board members, in accordance with a scheme approved from time to time by the Combined Authority.

18. Secretariat Arrangements

- 18.1. In accordance with Government requirements to have a secretariat independent of local government to support the Chair and Board, a S73 Chief Finance Officer and Monitoring Officer has been appointed to advise the Board who are independent of the Cambridgeshire and Peterborough Combined Authority.

19. Local Area Agreement

- 19.1. In accordance with Government requirements for mayoral areas there is a requirement for a Local Agreement between the Business Board and the Combined Authority and the Accountable Body setting out the responsibilities of the Chair, Board and Accountable Body. (To be developed).

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20. Amendments to the Constitution

- 20.1. These terms of reference will be reviewed annually. The Business Board will recommend any proposed changes to the Constitution to the Combined Authority.
- 20.2. The Combined Authority's Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:
- (a) as a result of any government guidance, legislative change or decisions of the Business Board, or
 - (b) to enable the documents to be kept up to date, or
 - (c) for the purposes of clarification only.

21. Publication of constitution and other governance documents

- 21.1. 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

1. Meetings

- 1.1. The Business Board shall have at least one public meeting a year which will be its Annual General Meeting.
- 1.2. The Business Board will hold annual general meetings open to the public to attend to ensure the communities that they represent can understand and influence the economic plans for the area²⁰.
- 1.3. 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.
- 1.4. An extraordinary meeting of the Business Board may be called by the:
- (a) Chair of the Business Board; or
 - (b) any two Members of the Business Board;
 - (c) Chief Executive of the Combined Authority.

²⁰ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

Appendix 5 – Business Board

2. Agendas and Minutes

- 2.1. Agendas and reports for the Business Board will be available on the Cambridgeshire and Peterborough Combined Authority website at least five clear working days before the meeting to which they relate in accordance with the Transparency rules in chapter 6 of the Combined Authority constitution. Any funding decisions shall be ratified by the Combined Authority as accountable body for the Business Board.
- 2.2. The public will have access to agenda, reports and minutes of public and private meetings except where they are exempt from disclosure under the Freedom of Information Act 2000 (FOIA).

Freedom of Information

- 2.3. Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under the Freedom of Information Act 2000 (FOIA). These papers will be classed as reserved papers.
- 2.4. Likely exemptions that are likely to make information reserved include but are not limited to:
 - Commercial sensitivity
 - Information provided in confidence
 - Personal data
 - Legal professional privilege
 - Information intended for publication at a future date

3. Attendance

- 3.1. Business Board members may participate in meetings remotely e.g. through video conferencing or Skype. They must be able to see and hear the meeting proceedings, and be heard, and as far as possible seen, by the other Board members attending the meeting at the venue. Board members who participate in this way may vote and count towards quorum. These arrangements would not apply to the annual meeting of the Business Board or any other Business Board meetings which are held in public.
- 3.2. The membership of private sector Business Board members who fail to attend a third or more of the total number of annual scheduled Business Board meetings, shall be reviewed by the Chair, who may recommend termination of membership to the Business Board.

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4. Quorum

- 4.1. No business is to be transacted at a meeting of the Business Board unless a majority of the total number of Members of the Board are present (either at the venue or remotely) which should include the majority of private sector members and at least one public sector member.
- 4.2. During any meeting if the Chair counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next ordinary meeting.

5. Decision Making and Voting

- 5.1. 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.
- 5.2. Each private sector Member of the Business Board is to have one vote and no Member (including the Chair) is to have a casting vote. The public sector members of the Board shall be non-voting members.
- 5.3. The vote will be by way of a show of hands and recorded in the minutes.
- 5.4. 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.

6. Conflicts of Interest

Register of Interests

- 6.1. It is the responsibility of Board members to ensure an up to date Register of Interests is maintained. 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 and is a condition of appointment. A member must within 28 days of becoming aware of any change in their interests provide written notification of this.
- 6.2. It is the responsibility of Board members to declare any interest on any item of business being conducted at a Business Board or working group meeting. Any declarations of interest made by a Business Board member at a meeting and

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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.

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

Declaration of Interests at a meeting

- 6.4. It is the responsibility of Board members to declare any interest on any item of business being conducted at a Business Board. Where a 'pecuniary interest is declared Members will leave the meeting, where a 'non- pecuniary interest is declared, Members may remain at the meeting but not participate in business in accordance with the Board members' code of conduct.

7. Decisions of the Business Board

- 7.1. 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 two clear working days after approval at the subsequent meeting.
- 7.2. 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 the matter back to the Business Board with the reasons and ask the Business Board to reconsider.

8. Urgency procedure

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

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Process for urgent decision making

- 8.2. Members will receive email notification which identifies:
- (a) Details of the matter requiring comment and/or endorsement and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to conduct the business);
 - (b) The date responses are required by;
 - (c) The name of the person or persons making or putting forward the proposal/decision
- 8.3. Two working days after the close of responses, the following will be circulated to all Business Board Members:
- (a) The outcome of the decision taken by Statutory Officers (including responses received in agreement and responses received in disagreement); and the date when any decision comes into effect; and
 - (b) Any mitigating action taken to address Members' stated views or concerns.

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

9. Forward Plan

- 9.1. The Business Board will set its own work programme and its forward plan will be published in accordance with the Transparency rules in [Chapter 6 Transparency Rules, Forward Plan and Key Decisions](#) of the Combined Authority constitution.

Part 3 – Sub Committees - Delegations

1. Delegations to Committees and Boards

- 1.1. Delegated authority has been granted to the Eastern Agri-Tech Programme Board (a sub board of the Business Board) to make decisions about applications for grant funding on behalf of both the CA/BB and NALEP (New Anglia Local Enterprise Partnership). The terms of reference and membership are appended at Appendix 1.
- 1.2. Delegated authority has been granted to the Greater South East Energy Hub to assume the Rural Community Energy Fund management role.

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Part 4 – Delegations

1. Officer Scheme of Delegation and Proper Officers

- 1.1. In addition to the delegations set out in the Cambridgeshire and Peterborough Combined Authority, the following delegations have been granted to the following by the Business Board:
- 1.2. Delegated authority to the Director of Business & Skills, in consultation with the Chair of Business Board to approve small grants to SMEs up to the maximum limit of £150,000, subject to Section 73 Officer approval and reporting all approvals to the next scheduled meeting of the Business Board.
- 1.3. Delegate the appointment of the Energy Hub Board member (representative of the Business Board) to the Director of Business, Skills & Energy.
- 1.4. Delegated authority to the **Head of Transport**, in consultation with the Chair of the Transport Committee, at key gateway stages to deliver the agreed Wisbech Access Strategy Package works on behalf of the Business Board.

Version Control

Version 1	24 September 2018	Constitution approved by Business Board and CA Board
Version 2	28 May 2019	Constitution approved by Business Board and CA Board (July 2019)
Version 3	2 August 2019	Amended to take account of decision of Business Board and Combined Authority Board and to include terms of reference of Enterprise Zone Programme and Project Boards.
Version 4	3 June 2020	Constitution approved by Business Board (May 2020) and CA Board (June 2020)

Eastern Agri-Tech Programme Board

Terms of Reference

Background

1. The Eastern Agri-Tech Growth Initiative brings together leading agriculture, research, science and technology assets in the East of England to strengthen a nationally significant, vibrant cluster that brings a truly global reach and impetus to the emerging UK Agri-tech sector. The (grant) funding provides a significant boost to the food, drink and horticulture sector by supporting businesses looking to invest in specialist equipment, new market and supply chain development, ways to improve productivity and efficiency, and the application and commercialisation of Research and Development.
2. The Eastern Agri-Tech Growth Initiative operates across both the Cambridgeshire and Peterborough Combined Authority (CPCA)/Business Board (BB) and New Anglia Local Enterprise Partnership (NALEP) areas and is run by the CPCA. It is promoted both directly to businesses across the food, drink & horticulture sector as well as working through key intermediaries including banks; accountants and sector specific consultants.
3. The Eastern Agri-Tech Growth Initiative has two main funds:
 - (a) An **Agri-Tech Growth Fund** which provides grants of between £10,000 and £150,000 to enhance business and jobs growth, and support product development. The Fund is aimed at supporting improvements in agricultural productivity through the introduction of new products or processes and encourage improvements to existing product/ processes and energy efficiency. The Growth funds supports the creation of new jobs and the protecting existing jobs.
 - (b) An **R&D and Prototyping Fund** which provides financial assistance to attract innovative and novel technologies. Planned research critical to the development of new products or processes within the Agri-Tech sector can be supported with grants of between £10,000 and £60,000 to cover the costs of research and development.
4. The Programme Board has been given the delegated authority to undertake this role, on behalf of the CPCA and NALEP Boards. Both the CPCA/BB and NALEP are represented on the Programme Board and will receive regular updates on

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the operation of the programme. A representative of the Business Board will Chair the Programme Board.

5. The CPCA is responsible for delivering the Agri-Tech scheme across the two geographical areas. A CPCA representative chairs the Programme Board. Agri-Tech Programme Manager CPCA, manages the scheme across the two geographical areas and acts as the Secretariat to the Programme Board. The CPCA is the Accountable Body for the programme.
6. The Programme Board's main task is to consider and take decisions on applications for grant support. The Programme Board should only see and consider an application once an application is deemed eligible and has been assessed by one of the independent team of assessors. Agri-Tech Programme Manager is responsible for ensuring that the assessors deliver quality assessments, undertake the necessary due diligence and in a timely way.
7. The Programme Board will have access to the agenda and supporting documents about each project proposal at least five days before meetings. This includes a report on each application which contains a suggested recommendation to approve or decline the application and, if approved, whether there should be any conditions to be placed on the project and/or applicant. For each meeting, the Programme Manager will record the decisions taken by the Programme Board on each application.
8. All applicants are invited to the meeting where their particular project will be considered. Each applicant will have the opportunity to give a short presentation and take questions from/provide clarification to the Programme Board. The Programme Board will judge each application fairly and on its own merits. The final decision about each application rests with Programme Board, unless the application is deemed ineligible during the assessment process in which case the Programme Manager will notify the applicant. The Programme Manager will notify all applicants of the decisions taken by the Programme Board.
9. The assessors will, if possible, attend the relevant meeting to introduce the projects for which they have assessed.
10. The Programme Board will receive regular updates from the Programme Manager on the progress of the Agri-tech programme, which will include the overall take up of the funding and the numbers of jobs created and protected.

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Membership

11. The membership of the Programme Board shall be appointed by the Business Board. Membership of the Programme Board will include eight members, to include:

- (a) A representative of the CPCA Business Board representatives to be appointed by the Business Board (Chair)
- (b) A Councillor representative and substitute representative from Cambridgeshire County Council to be decided by the County Council
- (c) A Councillor representative and substitute representative from Norfolk County Council to be decided by the County Council
- (d) A representative from Agri-Tech East
- (e) A representative from New Anglia LEP
- (f) Three experts with experience and knowledge of agriculture and the food, drink and horticulture industry, including research, farming and food processing to include
 - i. A representative from Syngenta UK
 - ii. A representative from National Institute for Agricultural Botany
 - iii. A representative from John Innes Centre

Board Members were recruited based on their expertise and knowledge of the sector and in particular from the research and scientific community. Membership of the Programme Board will be kept under review.

12. In attendance will be:

- (a) CPCA Agri-Tech Programme Manager
- (b) Officer from Norfolk County Council
- (c) Officer New Anglia LEP

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

- (a) that women make up at least one third of Board
- (b) with an expectation for equal representation by 2023, and
- (c) ensure its Board is representative of the businesses and communities they serve.

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Appointments to the Programme Board

14. The Agri-tech Programme Board Members 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, Government Guidance and the Nolan Principles.
15. Given the specific nature of the sector, a number of activities shall be undertaken to attract the right people with the specialism required in an open and transparent way. This will include
 - (a) a public advertisement
 - (b) writing to all organisations with specialism in Agri-Tech knowledge in the Combined Authority area.
16. A selection panel will be constituted to include:
 - (a) two representatives from the Agri-Tech Programme Board and
 - (b) a Business Board member.
17. The selection panel shall make recommendations to the Business Board which would make the final decision.
18. A quorum shall be four Programme Board members. The Programme Board shall meet at appropriate intervals, ideally monthly, provided a quorum is available and there are enough applications ready for the Programme Board to consider.
19. If a Programme Board member cannot attend a meeting, they can send written comments using the assessment sheets on an application(s) to the Programme Manager who will ensure they form part of the discussion and decision taken.
20. If the Chair is unable to attend a meeting, providing that the meeting is quorate, those Board Members attending the meeting can agree a substitute chair at the beginning of the meeting.
21. When a quorum is unavailable and project decisions cannot be held over until the next available meeting, a "Virtual Meeting" can be called. In these circumstances, the Programme Manager will provide Programme Board Members with access to the project papers and invite and co-ordinate comments. The Programme Manager will provide the Chair, with a summary of the comments received and a recommendation based on these comments. The Programme Manager will then provide Programme Board Members with written confirmation of the Board's decision whether to support or decline the application(s) in question.

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Conflicts of Interest

22. Every Board member must sign and comply with the Business Board member code of conduct.
23. Once an application passes the assessment and is deemed ready for the Programme Board's consideration, the Programme Manager provides the applicant(s) with the names of all Programme Board Members, in writing, and asks each applicant to confirm if any Programme Board Member is conflicted. If so, those Programme Board Members do not have access to the relevant project papers.
24. Similarly, and in the event that the applicants have not recognised that a Board Member(s) is conflicted, a Programme Board Member must declare at each meeting if a conflict of interest arises, especially where an application is received from a competitor business or from a Programme Board Member's own organisation. In either of these circumstances, the Programme Board Member(s) will not be asked for their views about the application in question and must abstain from commenting on that particular application. It must be left to the other Programme Board Members to take the appropriate decision.

Confidentiality

25. All the information provided by the applicants will be treated in confidence and protected accordingly.

Equal Opportunities

26. The Board should comply with the Business Board's diversity statement. The members of the Programme Board shall at all times take into consideration the principles of equal opportunity irrespective of age, gender, race, nationality, ethnic origin, sexual orientation or disability.

Procedure rules

27. The procedure rules for the Business Board should apply to the Programme Board where applicable.

Local Growth Fund – Entrepreneur Assessment Panel

Terms of Reference

1. Purpose

- 1.1. The Local Growth Fund – Entrepreneur Assessment Panel (EAP) is a formally formed sub-committee of the Business Board with delegated authority to make recommendations for funding to the Combined Authority board, which makes the final decision as the Managing Authority of the Business Board (which has no legal status or standing).
- 1.2. The Entrepreneur Assessment Panel has responsibility to provide a business focused appraised assessment and a recommendation for funding (or not) to the Combined Authority Board via a presentation made by the applicants. Applicants will be invited to make presentations to the Entrepreneur Assessment Panel, only in the event that their written application has been recommended for funding by an independent evaluator as part of the formal appraisal process.
- 1.3. The Panel aims to ensure the projects have clearly defined rationale, strategic fit, and clearly defined, measurable outputs. A report based on the Panel evaluation will be included in the final recommendation reports presented to the Combined Authority Board, by the Chair of the Business Board for ratification.

2. Roles & Responsibilities

- 2.1. Members of the Entrepreneur Assessment Panel will be nominated and elected by the Business Board. Their responsibilities are to:
 - (a) Attend bid presentation meetings – these will be presentations from projects totalling over £500k
 - (b) Produce feedback based on a pre-agreed evaluation matrix – the matrix will be provided for each project and members will be required to complete the scoring inserting comments against each score.
 - (c) Contribute to a formal report produced by the Business Board for the Combined Authority Board for ratification.

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3. Meeting Arrangements

31. Agenda and relevant papers will be produced and circulated five working days before the EAP meet.
32. A report will be produced based on the scoring matrix. This report will remain in draft form until agreed by the EAP chair.
33. The final report will be included in the Business Board papers for note and circulated to Business Board members on a bi-monthly basis.

4. Frequency of Meetings

41. The Entrepreneur Assessment Panel will meet as a minimum bi-monthly, the frequency may increase depending on the number of bids submitted in the current funding cycle.

5. Membership

51. The members of the Entrepreneur Assessment Panel are:
 - (a) Mayor (Chair)
 - (b) Up to three other members of the Business Board
 - (c) Up to three further representatives of the business community
 - (d) Combined Authority officer advisor (none scoring rights)

6. Declaration of Interest

61. Declaration of Interest will be made in accordance with the Business Board's Conflict of Interest Policy.

7. Confidentiality

71. All the information provided by the applicants will be treated in confidence and protected accordingly.

8. Code of Conduct

81. Every Entrepreneur Assessment Panel member must sign and comply with the Business Board member code of conduct.

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9. Decisions of the Entrepreneur Assessment Panel

- 91. Applications will have been independently appraised prior to being invited to present to the Entrepreneur Assessment Panel.
- 92. Only applications over £500k will be required to present to the Entrepreneur Assessment Panel.
- 93. Each member of the Entrepreneur Assessment Panel will be required to evaluate and score the bid.

10. Appeals

- 10.1. The decision made by the Entrepreneur Assessment Panel is final. There is no appeals process. If a complaint is raised it is dealt with through the CPCA complaints procedure.

Enterprise Zone Programme

Terms of Reference

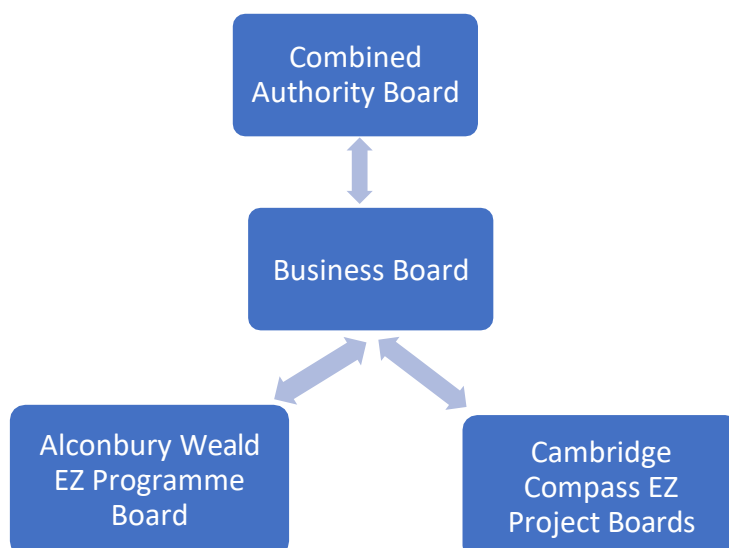
1. Executive Summary

- 1.1. Set out below is the governance arrangements between the Cambridgeshire & Peterborough Combined Authority and key stakeholders in relation to Enterprise Zone programme, for which the Business Board is responsible and the Cambridgeshire & Peterborough Combined Authority Board has overall accountability.

2. Governance Structure

- 2.1. The Business Board retains strategic oversight for the delivery of the Enterprise Zone Programme and will report to the Combined Authority Board as accountable body.
- 2.2. Overseeing Enterprise Zone delivery and management is delegated to Enterprise Zone Programme Board (Alconbury Weald) and Enterprise Zone Project Boards (Cambridge Compass).
- 2.3. The following diagram sets out how the Enterprise Zone Programme Boards align within the CPCA governance structure:

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3. Alconbury Weald Enterprise Zone Programme Board

Purpose

- 3.1. To co-ordinate the delivery of development, regeneration and management of the Enterprise Zone, focusing largely on operational matters and is responsible for co-ordinating proposed project activity from the agreed Enterprise Zone Investment & Delivery Plan for Alconbury Weald Enterprise Zone.
- 3.2. Decisions on the use of the 'Enterprise Zone and Infrastructure Fund' monies as set out at 6.1.3 of the Cambridgeshire and Peterborough Combined Authority (CPCA)/Huntingdon District Council (HDC) Alconbury Weald Enterprise Zone Memorandum of Understanding (MOU) will be decided solely by the CPCA and HDC and can only be approved by joint agreement.

Constitution and Membership

- 3.3. The Board will be made up of an elected member of both HDC and CPCA and an appropriate senior officer of each. The Chair should be elected by Board member and alternate on a 3-year cycle between the parties. The group may include, by invitation, representatives from local Government (BEIS), Cambridgeshire County Council the developer/land owner. Membership of the

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Alconbury Weald Enterprise Zone Programme Board will be published on the Business Board website.

Accountability

- 3.4. The Alconbury Weald Enterprise Zone Programme Board is responsible for reporting to both the Business Board and CPCA Board as accountable body.

Terms of Reference

- 3.5. The Alconbury Weald Enterprise Zone Programme Board will:
- (a) Develop and maintain the Alconbury Weald Enterprise Zone Investment & Delivery Plan on behalf of the Business Board;
 - (b) Update financial reports to set-out Enterprise Zone-related business rate retention, income streams and cost commitments;
 - (c) Provide quarterly output figures to inform monitoring obligations back to Government;
 - (d) Agree on managing the identity and communication of activity taking place on the Enterprise Zone in supporting the overarching programme branding;
 - (e) Maximise the benefits of the Enterprise Zone and to identify potential sources of funding to support site delivery and occupancy; and
 - (f) Prepare site updates and briefing documents for the Business Board; and
 - (g) Escalate and report on any high-level risks and conflicts to the Business Board that cannot be resolved at the Enterprise Zone Programme Board level.

Meetings

- 3.6. The Alconbury Weald Enterprise Zone Programme Board will meet on a quarterly cycle or at such other intervals as the Board may agree. The Chair of the Alconbury Weald Enterprise Zone Programme Board may decide to cancel meetings or call additional meetings as required.

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4. Cambridge Compass Enterprise Zone Project Board

Purpose

- 4.1. Project Boards are individual officer-level working groups representing each site and responsible for overseeing delivering the Enterprise Zone and to co-ordinate the delivery of developments, regeneration and management of the Enterprise Zone. The Boards will focus largely on operational matters and report to the Business Board.

Constitution and Membership

- 4.2. The Cambridge Compass Enterprise Zone Project Boards will comprise of CPCA and Local Authority officers and, in an advisory capacity, representatives from the developer or landowner/agent. The group may include, by invitation, representatives from local Government (BEIS), Cambridgeshire County Council the developer/land owner. Membership of each Cambridge Compass Enterprise Zone Project Boards will be published on the Business Board website.

Terms of Reference

- 4.3. The Cambridge Compass Enterprise Zone Project Boards will:
- (a) Develop and maintain Enterprise Zone Investment & Delivery Plan on behalf of the Business Board;
 - (b) Update financial reports to set-out Enterprise Zone -related business rate retention, income streams and cost commitments;
 - (c) Provide quarterly output figures to inform monitoring obligations back to Government;
 - (d) Agree on managing the identity and communication of activity taking place on the Enterprise Zone in supporting the overarching programme branding;
 - (e) Maximise the benefits of the Enterprise Zone and to identify potential sources of funding to support site delivery and occupancy;
 - (f) Prepare site updates and briefing documents for the Business Board; and

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- (g) Escalate and report on any high-level risks and conflicts to the Business Board that cannot be resolved at the Enterprise Zone Project Board level.

Meetings

- 4.4. The Cambridge Compass Enterprise Zone Project Boards will meet at least on a quarterly basis ahead of the Business Board to allow enough time for the submission of reports and Board papers.

Appendix 6 - 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):
- 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;

Appendix 6 – The Statutory Framework

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:

- (a) Duty to produce a Local Transport Plan;
- (b) Production of a Bus Strategy;
- (c) Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017;
- (d) Powers to enter into quality bus partnerships and enhanced partnerships;
- (e) Responsibility for the provision of bus information and the production of a bus information strategy;
- (f) Role of Travel Concession Authority;
- (g) Financial powers to enable the funding of community transport;
- (h) 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.

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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

Appendix 6 – The Statutory Framework

ordinary day of election in 2020 and in every fourth year after that, on the same day as the ordinary day of election.

- 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	Section 4 of the Local Government and Housing Act 1989

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administration of Combined Authority's 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. Section 73 of the Local Government Act 1985
The power to borrow money for a purpose relevant to its transport functions only;	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;

Appendix 6 – The Statutory Framework

- 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
 - (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:
 - (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.

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- 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 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.

Appendix 6 – The Statutory Framework

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 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.

Appendix 6 – The Statutory Framework

9. The Combined Authorities (Finance) Order 2017

- 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.

10. The Bus Services Act 2017

- 10.1. The Bus Services Act 2017 presents local authorities with new powers to bring about change and unlock the potential for the bus industry to achieve more for passengers than it does today.
- 10.2. New enhanced partnership and advanced quality partnership powers provide the framework for authorities to work side by side with operators to set a shared vision for bus services in their area. Regulations made under the new open data provisions and new ticketing powers should make it easier for passengers to use buses, move between different modes of transport and access timetables, fares and routes.
- 10.3. New franchising provisions will provide Mayors of combined authorities with equivalent powers to those available in London.

11. The Combined Authorities (Borrowing) Regulations 2018

- 11.1. These Regulations provide for mayoral combined authorities to borrow money for a purpose relevant to all of their functions (other than transport functions)

12. The Transport Levying Bodies (Amendment) Regulations 2018

- 12.1. These regulations amend the principal regulations (the Transport Levying Bodies Regulations 1992) to include the Combined Authority in the list of authorities who are levying bodies for the purposes of non-mayoral transport functions. These Regulations confer the power to levy the upper tier authorities Cambridgeshire County Council and Peterborough City Council to deliver transport functions. The purpose of the SI is to split the levy between the two upper tier councils in proportions appropriate to the size of their budget. The regulations enable revenue streams to be pooled making it a more attractive borrowing fund.

Appendix 6 – The Statutory Framework

13. The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018

13.1. With this Order the Mayor has the power, subject to meeting conditions set out in the Order, to levy a business rate supplement for a project that will promote economic development in the area in accordance with Sections 105B(1) and 107D(9) of the Local Democracy, Economic Development and Construction Act 2009. As the Order provides, such a supplement can be applied only to the business rate bills of businesses with rateable values of at least £50,000, and the supplement cannot exceed two pence in the point. Any supplement must be approved by a ballot of the business ratepayers concerned, achieving a majority both of business rate payers who voted in terms of the number of ratepayers and in the aggregate value of their properties.

14. The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018

14.1. The Order sets out the details of the AEB functions that are transferred to the Combined Authority with the agreement to devolve the budget. With the exception of apprenticeships, adult offender learning or provision for people aged 16 -18, the following functions contained in the Apprenticeships, Skills, Children and Learning Act (ASCL) 2009 are transferred to the Combined Authority in relation to constituent member areas:

- (a) S86 – Duty to provide appropriate Further Education to learners aged 19 and over (not to include apprenticeships, prisoner education or traineeships).
- (b) S87 – Duty to provide appropriate Further Education to learners aged 19 and over, who do not have certain specified qualifications
- (c) S88 – Duty to ensure that provision is free for relevant learners who do not have certain specified qualifications

14.2. The following powers will be exercised concurrently with the Secretary of State:

- (a) S90 – Duty to encourage learner and employer participation in education and training of people aged 19 and over (except those in adult detention).
- (b) 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 Local Authorities as they are treated as 16-18 year old learners).

Appendix 6 – The Statutory Framework

- (c) S122 – Power to exchange information with providers to enable provision of Further Education to learners aged 19 and over.

15. Automated and Electric Vehicles Act 2018

- 15.1. The Act includes a power for the Mayor to designate places where large fuel retailers and service area operators must provide public charging points. This is limited to locations within the defined key route networks.
- 15.2. The Government's intention is that these powers could only be exercised once the definitions of large fuel retailers and the factors that would determine the suitability of a particular location have been adopted in regulations.

16. The Social Housing Rents (Exception and Miscellaneous Provisions) Regulations 2019

- 16.1. Regulation enabling the Combined Authority to fund homes for Affordable Rent'.

Appendix 6 – The Statutory Framework

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
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

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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 an 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 Concessionary Bus Travel Act 2007)	To issue permits indicating entitlement to travel concessions to elderly or disabled residents who apply for one (England National Travel Concessionary Scheme)
Transport Act 2000 Section 149 (As substituted by 2007 Act)	To reimburse the operator for providing travel concessions (ENTCS)

Appendix 6 – The Statutory Framework

Transport Act 2000 Section 150	To publish the proposed arrangements for reimbursing operators (ENTCS)
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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
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

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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
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



Agenda Item No: 7.2

Procurement Policy

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 January 2023

Public report: Yes

Lead Member: Deputy Mayor Councillor Anna Smith

From: Edwina Adefehinti
Interim Chief Officer Legal and Governance, Monitoring Officer

Key decision: No

Forward Plan ref: N/A

Recommendations: The Combined Authority Board is recommended to:

- a) Approve the attached procurement policy
- b) Delegate authority to the Monitoring Officer in consultation with the Chief Finance Officer/S.73 Officer and the Chief Executive Officer to amend the policy when the expected changes in law come into force, later this year.

Voting arrangements: Simple majority of members present and voting

1. Purpose

- 1.1 The Combined Authority should keep under review the governance arrangements, such as policies and the constitution, of the Combined Authority.
- 1.2 This report sets out proposed changes to the Combined Authority's procurement policy in line with the recommendations within the review of governance and changes. The Procurement policies detailed in this report have been reviewed and are considered to remain current, relevant and fit-for-purpose, subject to changes in law expected later this year.
- 1.3 These changes will lead to constitutional change. The Combined Authority Board is asked to consider the content of the report, comment on the proposed changes and note the timetable that will also be taken.

2. Background

2.1 The proposed Procurement Policy directly supports the Combined authority's governance framework.

2.2. Best practice dictates that organisations should have an overarching Procurement Policy in place to offer clear guidance to officers when procuring goods and services, whilst at the same time supporting the organisations' priorities and strategic themes.

2.3 The risk to the Combined Authority in not having a Procurement Policy is that officers do not have guidelines to follow to ensure that the CA is not open to challenge because of their procurement activities.

2.4 The Policy should also offer clear guidance to ensure procurements comply with both statutory requirements and the Combined Authority's own constitutional requirements.

3. Financial Implications

3.1 N/A

4. Legal Implications

4.1 Having a clear policy ensures the Combined Authority will be better placed to reduce the likelihood of subsequent (costly) challenges to non-compliant procurements.

4.2 Public procurement in the UK is governed by legislation set out in the Public Contracting Regulations 2015. These provide a legal framework based on principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality and has taken over from EU legislation regarding Procurement post Brexit. This is accompanied by other relevant legislation including the Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016, the Freedom of Information Act 2000, Data Protection Act 2018 and the General Data Protection Regulation, Equalities Act 2010, Localism Act 2011, Social Value Act 2012, the Bribery Act 2010. Local Government Act 1988 and the Local Government (Transparency Requirements) (England) Regulations 2015

4.3 In accordance with the public procurement rules, it is therefore necessary to ensure that ethical issues are relevant to the subject matter of the contract and are consistent with the requirement within the Local Government Act 1999 to achieve “best value”. In the context of procurement, best value for money means choosing the option or bid that offers “the optimum combination of whole life costs and benefits to meet the customer’s requirements.” Ethical considerations that are “relevant” to the subject matter of the contract may arise where there is a risk to the Authority from a supplier being unable to deliver the product or service to time and of sufficient quality due to say insufficient health and safety provisions for its employees. If a clear link can be established between poor conditions of employment and the ability or motivation of an employee to maintain required equality standards, this will be relevant to the supply of goods, works or services.

4.4 Responsible procurement is defined as “the process whereby organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment”. The Public Services (Social Value) Act 2012 provides the relevant legislative framework and requires local authorities to consider these wider benefits when procuring and entering into contracts. The Act applies to public services contracts and framework agreements to which the Public Contracts Regulations 2015 apply and aims to provide a tool to assist commissioners to get more value for money out of procurement.

4.5 Under the Public Services (Social Value) Act 2012, the CA must consider before starting the process of procurement of services how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement.

4.6 This social value duty is balanced by obligations to ensure fair and open competition as set out in the Public Contracts Regulations 2015 which state, inter alia, that award criteria must be ‘linked to the subject matter’ of the contract in question and must be contract-specific and not aimed at assessing the business or corporate policies of the tenderer.

4.7 Contracting authorities are entitled to decide not to award a contract to the tenderer submitting the most economically advantageous tender where they have established that the tender does not comply with applicable obligations in the fields of environmental, social and labour law established by retained laws in the UK-EU Trade and Cooperation Agreement, national law, or collective agreements. The list of such obligations is prescribed and must be strictly construed. If the tenderer is not in breach of any of those obligations the contracting authority is bound to select its bid if it is the most economically advantageous tender.

4.8 One of the proposals in the Transforming Public Procurement Green Paper is that the most economically advantageous tender (MEAT) criterion is changed to the most advantageous tender (MAT), which would allow more latitude to contracting authorities in designing their procurements to secure social value outcomes. In the meantime, contracting authorities may pursue their social value duty under the MEAT criterion so long as the award criteria are linked to the subject matter.

4.9 Government has issued a procurement policy note (05/21) requiring that contracting authorities familiarise themselves with the contents of the National Procurement Policy Statement. The Statement advises that contracting authorities should have regard to the

following national priorities in their procurement where it is relevant to the subject matter of the contract, and it is proportionate to do so:

- creating new businesses, new jobs and new skills
- tackling climate change and reducing waste, and
- improving supplier diversity, innovation and resilience

4.10 The National Procurement Policy Statement affirms the requirement to comply with legal obligations including those in the UK-EU Trade and Cooperation Agreement, and these obligations include the binding commitment to fair and open competition which is assured by the Public Contracts Regulations.

4.9 The procurement policy note also advises that contracting authorities should consider whether they have the right policies and processes in place to manage the key stages of commercial delivery identified in this statement where they are relevant to their procurement portfolio. They should consider whether they have the right organisational capability and capacity with regard to the procurement skills and resources required to deliver value for money.

5. Public Health Implications

5.1 N/A

6. Environmental and Climate Change Implications

6.1 N/A

7. Other Significant Implications

7.1 Risk Management

- The key risks associated with procurement are that the CA does not get value for money from external spend or that it is challenged for non-compliance with its internal processes or with legislation. Consistent processes, effective procurement planning, and focus of governance and procurement professional time on high-value high-risk projects provides mitigation against these. This policy and the underpinning framework provide clarity around The CA's priorities for responsible procurement, clearly linking requirements to the CA's outcomes, to ensure any benefits are channelled appropriately.
- Internal and external Audit can provide assurance to senior management and Members on procurement controls and the assurances being obtained by management that the process is operating effectively the requirements are being complied with. Internal Audit may include procurement controls within the Continuous Auditing programme and reviews of procurement and contract management arrangements in the annual Internal Audit Plan.

8. Appendices

1. Draft Procurement policy
2. Procurement Policy Note – National Procurement Policy Statement Action Note PPN 05/21 June 2021
3. The Procurement Bill- a summary guide



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

PROCUREMENT POLICY

November 2022

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1. Introduction

This document sets out the procurement approach to be applied by any person purchasing Goods, Services or Works on behalf of the Cambridgeshire and Peterborough Combined Authority (CPCA). It is complementary to Chapter 9 – Contract Procedure Rules of CPCA's Constitution and it is designed to detail the overarching approach to public spending and the strategy by which best value and compliance is to be achieved. In the event of any conflict between the Contract Procedure Rules and this document, the Contract Procedure rules will prevail'

2. Organisation Classification

The Cambridgeshire and Peterborough Combined Authority is classified as a Contracting Authority as defined in Regulation 2(1) of the Public Contract Regulations 2015.

3. Applicable Legislation & Policy

The CPCA is required to operate under a legislative and policy framework which includes the following:

- The Local Government Act 1972
- Public Contract Regulations 2015 (PCR2015) as amended from time to time including by The Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021
- Concession Contracts Regulation 2016
- Bribery Act 2010
- Equalities Act 2010
- Localism Act 2011
- Social Value Act 2012
- Modern Slavery Act 2015
- General Data Protection Regulation 2018
- Transparency Code 2015
- Public Procurement Policy Notes

The first item in the above list requires the authority to publish its Standing Orders on how it manages its contracting requirements (Chapter 9 - Contract Procedure Rules) as part of its Constitution; this being available at the following link – [\(Link to follow\)](#) The CPCA, as part of this section of the Constitution, sets out a basic workflow and series of decisions regarding; budget, conventional route to market options, practical processes, approval requirements and final

award, and is based on the minimum and most commonly applied requirements, as directed by the PCR2015.

The remainder of how the above requirements in legislation and Policy are to be achieved are detailed below.

4. Policy Requirements

This Policy document must be read in conjunction with the Constitution and strictly applied to ensure both:

- 1) the application of the following Procurement Principles;
 - a) equality of treatment
 - b) transparency
 - c) non discrimination
 - d) proportionality
- 2) evidence of compliance with the Public Contract Regulation 2015 and the Concession Contract Regulations 2016;
- 3) an efficient, effective and economic outcome from every procurement;
- 4) a proportionate procurement process that balances procurement costs, delivery requirements and delivery savings;
- 5) support and push for the socio-economic commitments of the area, Authority and its members where possible and to the largest extent permitted by law, including:
 - Net Zero policies and outcomes by all contractors, suppliers and in works contracts, promoting
 - Real Living Wage to all directly employed staff, (individuals) contractors and contractors' staff working for the Authority for more than two hours per week for eight consecutive weeks.
- 6) The above are to be achieved through the adherence to the following processes, decisions, actions and documentation.

5. Reasons for Compliance

Officers are required to comply with the Contract Procedure Rules and this Policy

- To ensure that the Authority obtains best value when it buys works, goods or services
- To demonstrate true and fair competition and public accountability
- To ensure consistency
- To prevent bribery and corruption, whilst ensuring probity
- To ensure a full audit trail and transparency

- To protect the interests of the Authority, its officers, elected Members, taxpayer funds and the public.
- To abide by legislation, government guidance and policy and the Authority's socio-economic commitments.
- To minimise the risk of challenge, protect a project from delay and prevent the likelihood of incurring additional costs or paying damages

6. Procurement Planning

Officers need to plan ahead for their required purchases, this to include the following stages

- Financial Approvals – this to include the initial budget allocation and any delegated authorities to award
- Project team – who will support the process from a financial, procurement, legal and a sponsor perspective
- Documentation requirements – internal or external templates
- Process approvals – internal or external panels or boards or funding requirements
- Process durations (excluding any approvals)
 - Single quote - approximately two weeks
 - Three quotes - approximately six weeks
 - Below threshold tender - approximately 10 weeks
 - Above threshold tenders - OPEN procedure – approximately 14 weeks
 - Negotiated Procurement - at least 26 weeks
- Award requirements – this to include the completion of the Officer Decision Notice, approval by the Chief Executive and the (CA Board or Mayoral Decision) if over £500,000 and any Standstill requirements where applicable (The above requirement includes contracts of the same value being novated or assigned).

The Find a Tender Service ("FTS") threshold is currently at - £213,477 including VAT and - £5,336,937 including VAT for services and works, respectively. And £5,336,937 including VAT for Concession Contracts.

7. Procurement Documents

The CPCA standard templates and requirements would be used except where otherwise specifically agreed by procurement. All procurements must include the following information, where practical:

- Either a **Request for Quotations** (“RFQ”) or **Invitation to Tender** (“ITT”) document that details the process to be followed, the rules of participation and the method by which the procurement will be managed, evaluated and awarded.
- A **Contract Specification** or set of **Employers Requirements– Included in the ITT**
- A **Standard Selection Questionnaire (“SSQ”)** document (only to be used on below threshold processes on the advice of procurement) used to assess mandatory and discretionary disqualifications and a supplier’s overall suitability to contract with the CPCA. – Included in the ITT for open procurement process only or a separate document for other processes.
- A **Due Diligence Information Document** that enables the CPCA to assess the stability and commercial suitability of the organisation to deliver the contract – Included in the ITT
- A Set of **Method Statement Questions** that direct the supplier to specify and explain how they will deliver the specifics of the project’s requirements. – Included in the ITT
- A **Pricing Document** to be completed – To be attached to the ITT as part of the tender documents
- The **Contract Terms and Conditions**– To be attached to the ITT as part of the tender documents
- Any additional, supporting; charts, drawings, data sheets, explanatory notes etc.

8. Tender Specifications (law & CPCA requirements)

The tender specification needs to adequately define the CPCAs requirements; this could be as an input, output or outcome spec.

When using an input specification, officers cannot name a manufacturer, brand, model or part number; the requirement needs to be defined by its functionality and performance. Where it is impossible to define a requirement without naming a product; the specification must state, ‘or equivalent’.

The specifications must be relevant to the subject matter of the procurement, and they must not be drafted so as to narrow competition artificially.

Officers defining the contract requirements must therefore be suitably experienced (and for an input specification; up to date with current standards, technology and trends) such that the tender documentation will facilitate a suitable offering and a manageable contract.

9. Procurement Route Decisions

Officers are required to consider their route to market based on the nature of the purchase, whether the total contract value exceeds a requirement to advertise and the FTS threshold, and under which of the following categories that spend falls;

- **Category 1 - Public Contracts** - Works, Goods or Services contracts but excluding those which fall within the definition of a concession contract under the Concession Contracts Regulations 2016
- **Category 2 - Concession Contracts** – either a works concession contract or a services concession contract which falls within the definition of concession contracts under the Concession Contracts Regulations 2016 – generally involving the right to exploit the service or work, the transfer of operating risk to the contractor and no guarantee that the contractor will recoup its investment; e.g. café services
- **Category 3 - Light Touch Regime Contracts** – contracts which fall within schedule 3 of PCR 2015 – generally they are where the cross-border markets are limited as suppliers are usually required to be locally based and/or knowledgeable; e.g. legal services, education, catering

Each of these Categories are treated differently by procurement legislation and have different FTS thresholds for advertising and as such different strategies by which to engage with the market. The Current FTS thresholds are available at the following link - [Public Procurement thresholds 2022 – Tenders Direct Blog](#)

In selecting the optimal route to market, officers are required to demonstrate that their selected route achieves primarily value for money and secondly promotes the Authority's commitments; generally, this will require evidence of the supplier having been selected through a competitive procedure be that in the establishment of a competitively procured corporate contract or framework (by the CPCA or another approved organisation), or through a project specific competition. The level of competition required is set out below.

When awarding/signing Contracts following a procurement route, the officers are required to fill in the relevant form to each route (as described in the [Decision Matrix spreadsheet](#)) and obtain necessary approvals as indicated within the relevant form used. Templates of the relevant forms can be found [HERE](#).

9.1. Below threshold – all categories

(Supplemental to paragraph 9.14.1 of Chapter 9 of the CPCA's Constitution)

- under £50,000 officers are required to seek three local quotes where available as a preference unless the technicality of the requirement is so specialist that this overrides

the socio-economic commitments of the CPCA (in which case an advert may be required to seek interest from appropriately qualified organisations) and subject always to the requirements of legislation.

- over £50,000 officer are required to either utilise a corporate contract or an existing framework, wherever possible (as listed below), or to place an advertisement in Contracts Finder and invite tenders using the CPCA standard templates above and procurement process detailed in section 10 below, subject to the requirement of regulation 111 PCR 2015 that a pre-qualification stage is not permissible.

9.2. Above threshold – Category 1

Over the FTS threshold, officers are **required to consult with procurement** and to carry out an [options appraisal](#) (using the CPCA standard form) in consideration of the following

- consider and evaluate the use of existing frameworks; specifically
 - Crown Commercial Services Frameworks
 - Eastern Shires Purchasing Organisation Frameworks
 - Homes England Frameworks
 - Highways England Frameworks
 - National LGPS Frameworks
 - Any other framework in which we have been explicitly named and financially accounted for.

Where a framework is used, the officer must comply with the processes as set out in the original procurement. Where there is an option for either direct award or mini competition, officers must consider the following.

- Where the framework only allows for award via a mini competition, a mini competition must be applied
- Where a framework allows for direct awards for such values, the officer may either carry out a mini competition or directly award the contract subject to the advice by the procurement department and:
 - Compliance with the PCR 2015 and framework processes
 - The technical requirements of the contract
 - The suitability of the suppliers on the framework
 - Any conflicts between this appointment and other project related contracts
 - Criticality of timescales

- Historic project knowledge where the initial appointment was suitable procured.

Where a framework is not available or they are deemed unsuitable, and in considerations of the requirements of the category, officers must advertise the opportunity and select the route based on the following options listed below:

Single Supplier Appointment Requirements

- OPEN tendering (as detailed in Regulation 27, PCR 2015) must be the default option – it requires the disclosure of EVERYTHING up front to EVERYONE and as such best demonstrates an open, fair, inclusive and transparent process; however
- RESTRICTED tendering (as detailed in Regulation 28, PCR 2015) may be used where the market is extensive and the cost to the CPCA and the market against the process is disproportionate to the value of the contract such that a short-listing stage is advantage to all parties. EVERYTHING must still all be disclosed upfront
- COMPETITIVE PROCEDURE WITH NEGOTIATION (as detailed in Regulation 29, PCR 2015) tendering may be used where EVERYTHING is not known upfront as how the outcomes are to be achieved need market involvement and subject to meeting the criteria set out in Regulation 26, PCR 2015.

Multiple Supplier Appointment Requirements

- FRAMEWORK AGREEMENT - these are procured in accordance with any of the routes above and can include single or multiple requirements (LOTS), single or multiple suppliers and single or multiple awards. It is a closed list once awarded and has a maximum duration of 4 years. The initial process and any subsequent awards must comply with the principles of equal treatment and transparency and comply with both the PCR 2015 and the processes defined in the framework documents.
- DYNAMIC PURCHASING SYSTEMS these are open lists, they are established using the Restricted process with an SSQ and a minimum level of quality and previous experience requirements; suppliers are added to categories if approved and any award under the DPS must be by way of a mini competition which evaluates price and quality.

9.3. Above threshold – Category 2

- OPEN tendering must be applied – it requires the disclosure of EVERYTHING up front to EVERYONE and as such best demonstrates an open, fair, inclusive, and transparent process

9.4. Above threshold – Category 3

- There are no prescribed routes to market, except a requirement to advertise contracts which are over the FTS threshold. The process must be defined on a project-by-project basis and must comply with Regulations 74-77 PCR 2015 and the Procurement Principles of equal treatment, transparency, non-discrimination and proportionality (Regulation 18 PCR 2015).

10. Tender Process & Communication – Category 1 & 2

All Procurement information and tender requirements **MUST** be shared equally with ALL interested parties; to facilitate this, the following rules regarding information distribution, communications, and storage, must be followed.

ALL information must be shared and managed **ELECTRONICALLY**, and where specified below, **managed through the CPCA e-tendering portal**

10.1. Under £10k – quotes

Single quotes must be obtained by email and accepted by way of a purchase order which is issued electronically and includes a description of the purchase and the total price to be paid.

10.2. Non-advertised (three) quotes - £10k - £49,999k

Where three quotes are obtained directly from three local suppliers (where permissible under legislation), these can be requested by email. Once evaluated the selected supplier's quote must be and accepted by way of a purchase order which is issued electronically and includes a description of the purchase and the total price to be paid.

10.3. Advertised quotes - £25k - £50k

Where an officer cannot identify 3 local suppliers from whom to obtain quotes or where legislation prevents the contract being reserved to local suppliers, the opportunity must be advertised on Contracts Finder (via the e-tendering portal) and an appropriate set of procurement documents collated so as to clearly and transparently define the project requirements and enable interested parties to submit a compliant and competitive quote. A pre-qualification stage must not be used.

All correspondence regarding the tender process, documentation and requirements must be managed through the portal and all information shared equally with all interested parties by way of the public notification function. The evaluation outcome and award must be noted in the system and any decision reports attached.

10.4. Advertised Tenders – over £50k but below threshold

Where a contract has a value that exceeds £50k but is less than the relevant threshold and the opportunity cannot be awarded through an existing framework then it must be advertised on Contracts Finder (via the e-tendering portal) and an appropriate set of procurement documents collated so as to clearly and transparently define the project requirements and enable interested parties to submit a compliant and competitive quote. A pre-qualification stage must not be used except for certain works contracts on the advice of procurement. These processes are to be loaded and overseen by procurement.

All correspondence regarding the tender process, documentation and requirements must be managed through the portal and all information shared equally with all interested parties by way of the public notification function. The evaluation outcome and award must be noted in the system and any decision reports attached.

10.5. Regulation compliant Tenders

Above FTS threshold tenders must be both advertised on Contract Finder and in the Find a tender Service (FTS) (via the e-tendering portal – currently Proactis) and an appropriate set of procurement documents collated so as to clearly and transparently define the procurement process to be followed along with the all project requirements so as to enable interested parties to submit a compliant and competitive quote.

All correspondence regarding the tender process, documentation and requirements must be managed through the portal and all information shared equally with all interested parties by way of the public notification function. The evaluation outcome and award must be noted in the system and any decision reports attached.

10.6. Mini Competition from a Framework

Where the CPCA are utilising an existing Framework under which they intend to carry out a further competition to obtain a competitive quote from interested parties, the process and all the tender documentation and correspondence must be managed through the CPCA e-tendering portal. The project officer must utilise the framework templates where stipulated (ours where not) to clearly and transparently communicate all of the project requirements so as to enable interested parties to submit a compliant and competitive quote.

All correspondence regarding the tender process, documentation and requirements must be managed through the portal and all information shared equally with all interested parties by way of the public notification function. The evaluation outcome and award must be noted in the system and any decision reports attached.

10.7. Direct Award from a Framework

Where a framework includes an option to award directly the officer must first identify which supplier best matches their requirements in consideration of performance ability, delivery timescales, cost, experience, ability to resource, conflicts of interest and any other requirements that are particular to the project that demonstrate a justifiable reason for using that supplier over another – this decision making process must be agreed with procurement and documented by way of an email that can be attached to the contract register when the contract is added.

10.8. Direct Award without advertisement

In some circumstances there may be a justification to award without advertisement or competition; in either and/ or both cases a [Direct Award Template.docx \(sharepoint.com\)](#) must be completed to document and justify this decision and this must be signed in accordance with the requirements of the form. Examples of the circumstances in which an award without advertisement may be justified include:

- Direct Award instead of seeking three quotes for below FTS Threshold
- Direct award without advertisement or competition for above FTS Threshold this is covered in Regulation 32 of the Public Contract Regulations 2015 for which exemptions there are certain criteria
 - Monopoly – this must be demonstrated through a single response to an expression of interest published on Contracts Finder (Below threshold) or on the FTS
 - Urgency – This is where the requirement must be addressed sooner than the time required for Threshold procurement – however – the urgency must not be of the CPCA's making e.g. poor planning.
 - In response to a procurement having been completed in a compliant manner and the outcome not achieving the requirement of the tender documents – in this case a single supplier can be selected to negotiate with.

All decisions regarding this must be agreed with legal and procurement and recorded in the Direct Award Template. Such agreement will only be forthcoming where the direct award is permissible under the CPCA Contract Procedure Rules, the Public Contract Regulations 2015 or the Concession Contracts Regulations 2016 as appropriate. In addition, where required under CPCA Contract Procedure Rules, the appropriate waiver shall be obtained.

11. Tender Process & Communication – Category 3

11.1. Below Light touch regime FTS threshold

There are no requirements to advertise below Light Touch Regime threshold – however, the CPCA are still required to ensure that the expenditure demonstrates value for money. Officers are also required to ensure they have approval to spend the funds and this and the choice of suppliers should be agreed by the budget holder and the email evidencing this attached to the relative entry on the contract register.

This specifically applies to contentious legal, education, training, catering services procurement processes for the CPCA and others which are included under Section 3 or the PCR2015.

11.2. Above Light touch regime FTS threshold

The practical process for this type of procedure must follow 10.5 above and the details of the process as set out in the Invitation to Tender.

12. Advertising Opportunities and Awards

- Framework Award Notices –
 - Over the FTS threshold, an award notice should be published in the FTS and on Contracts Finder within 30 days from award of contract.
 - Under the FTS threshold - and over £30k an award notice must be published on Contracts Finder within 30 days from award of contract.
- Advertised Opportunities & their Award Notices –
 - Above FTS Level - Any contract that exceeds the FTS threshold must have both the opportunity published in the FTS in accordance with the selected route to market and then, also published on Contracts Finder within 30 days from award of contract.
 - Below the FTS threshold – where the opportunity has been advertised an award notice must also be published using the same mechanisms
- Not-advertised Opportunities & their Award Notices –
 - Three Quotes – where the value exceeds £30k an award notice must be published on Contracts Finder
 - Single Source – where the value exceeds £30k an award notice must be published on contracts finder and where the value exceeds the FTS threshold and is awarded subject to Regulation 32 and VEAT notice must be published, and a 10 day stand still period applied.

- Light Touch Regime below FTS procurements do not need the opportunity advertised but where over £30k, the award must be notified on Contracts Finder

13. Tender Evaluation Approach

13.1. Single quote

Purchases made using a single quote are only evaluated for compliance with request and budget.

13.2. Three Quotes

Purchase made after seeking three quotes (that have not been advertised) should be made to the lowest priced suppliers.

13.3. Advertised Tender Processes

Tenders that are advertised must be evaluated on the basis of the Most Economically Advantageous Tender ('MEAT') where both quality and price are considered.

The default split for evaluation is 60% quality and 40% price but this can be adjusted to a split of 70:30 or 80:20 to reflect the requirements of the contract.

13.4. Mini Competition FW

Mini competitions must be evaluated using the process detailed in the framework documents.

13.5. Direct Award FW

Where a framework enables a direct award process to be applied then procuring officer must document the rationale for how MEAT has been applied in accordance with the framework evaluation criteria and/or how the direct award process has been applied and this should be agreed with procurement before the award is made.

13.6. Direct Award without Competition

The process of selecting the supplier to whom the CPCA will direct award will need to provide evidence of some form of evaluation criteria (such as size, experience, references, previous experience by the CPCA or another known Local Authority) as the requirements and pricing that establish the contract will be part of a negotiation process post selection.

14. Tender Evaluation Process

The Procurement Principles are paramount during this stage of the process – failure to apply the specified criteria exactly or fairly is the greatest risk of process failure and Challenge.

The scoring allocation for each section of the criteria must be evaluated from an absolute perspective using a predefined scale and must not include comparison of one supplier against another such that, in theory, a supplier can calculate their own score before they submit their tender.

The recommended approach is set out in the CPCA standard Invitation to Tender (ITT) and should only be amended with agreement from procurement.

The Evaluation Process should address the following three main headings with recommended sub-headings as listed below

14.1. Price

- A Schedule of Rates or Basket Price
- A Lump sum fixed price
- A sufficiency Ratio

14.2. Quality

- Contract delivery processes and Mechanisms
- Resources and technical ability required to deliver the contract
- Timescales and critical path
- Risks & mitigations
- Quality Control
- Health & Safety including Safeguarding, environmental protection,

14.3. Social, economic, and environmental requirements

To the extent permissible by procurement legislation:

- Putting the Mayor's values at the heart of public procurement, namely
 - Compassion
 - Co-operation
 - Community

as described in more detail in the [Combined Authority's Sustainable Growth Statement](#).

- Real Living Wage to all self-employed, contractors and contractors' staff working for the Authority for more than two hours per week for eight consecutive weeks.
- Local jobs, staff training, apprenticeships and work experience etc.
- Volunteering to support local projects
- Net Zero carbon footprint policies and outcomes by all contractors, suppliers and in works contracts, promoting

- Other Environmental protection matters such as; protection of wildlife, product specification, whole life costing, recycling and waste minimisation etc.
- Local spend, local supply chain, local investment

Subject to all requirements in Chapter 9, paragraph 13 of the CPCA Constitution and relevant procurement legislation, and in the spirit of recent drive of the UK government for environmental protection as an increasingly important criterion for public procurements, all CPCA procurements shall always include forthwith as of the date of this policy version (November 2022):

- a) a criterion regarding Net Zero compliance and this criterion shall receive the maximum weighting permitted by current legislation, to the reasonable assessment of the procurement and legal teams.

Additionally, and in line with the Authority's commitments for accreditation as a Living Wage Employer by the Living Wage Foundation, all CPCA procurements, to the extent permissible by procurement legislation, shall always include forthwith as of the date of this policy version (November 2022):

- b) a criterion regarding Real Living Wage compliance and this criterion shall receive the maximum weighting permitted by current legislation, to the reasonable assessment of the procurement and legal teams.

The content of this paragraph 14.3 will be reviewed and updated to increase the weighting received by Net Zero considerations, subject to and in accordance with new impending legislation.

Definitions:

"Net Zero" above means a policy and all the practical measures taken by a potential bidder in a procurement by which this bidder ensures and achieves zero balance between the amount of greenhouse gas produced and the amount removed from the atmosphere in its operations.

"Real Living Wage" is the hourly rate payable by organisations to their employees and contractors as this is set by the Living Wage Foundation, which corresponds to the hourly rate working people need to afford a minimum 'decent' standard of living.

14.4. Other Considerations

- Business Continuity Plans
- ISO accreditations
- GDPR processes
- Policies and commitments

15. Post Tender Clarifications

Where, as part of the evaluation process, there are areas of uncertainty, these may be clarified by way of the Q&A process available through the portal.

Any Information received via the Q&A process can only be used to ensure an accurate understanding of the submission and that a fair score has being applied. No new or additional information can be considered or used to re-determine the scores.

Where the intended clarification process is to be managed by way of a meeting, the process for how the responses to questions are to be evaluated and contribute to the final score must be clearly defined within the tender documents and must represent a fair and transparent process. Where such information results in the scores being adjusted, this must be clearly documented on the tender score sheets and in the Tender Report.

Where the clarification relates to price, officers may seek an explanation regarding any anomalies or omissions, but the prices CANNOT be changed. If an item has not been priced individually it is assumed to be provided at no extra costs; if this principle would make the overall contract delivery unsustainable as per above, then the tender may need to be discounted. This can only happen following a clarification process and MUST be reviewed by Procurement before such a decision is made.

Where an arithmetical error is identified, this can be corrected by the CPCA, but the error must be confirmed by an independent party (ideally Internal Audit) and confirmed as acceptable by the Tenderer before any further consideration is given to the tender. If the corrected price is considered undeliverable by either the Tenderer or the CPCA then the submission may need to be discounted.

16. Abnormally Low Tenders

Where the evaluator identifies a concern as to the accuracy or deliverability of the submitted prices or a conflict between the pricing and the commitment in the method statements, or there is concern that they have be calculated to distort or manipulate the evaluation process, Officers are advised to liaise with Procurement to carry out a review (in accordance with the PCR2015) to ascertain if the submission is sustainable or if it should be dismissed from further evaluation. Any decision must be agreed by Procurement and the Project Sponsor and be appropriately documented.

17. Tender Report

Following any competitive procurement being completed and the Most Economically Advantageous Tender identified, over the value of £25,000, the responsible officer must

complete a Regulation 84 compliant Tender report [Tender Award Report Template.docx \(sharepoint.com\)](#) (as per CPCA template) which must be signed by the person with authority to agree the expenditure and sign the contract.

A copy of the completed Report (and any supporting documents) must be stored against the project on the Contract register as a private attachment and made available to Central Government upon request.

18. Tender Award & Standstill

Once approval to award has been received, ALL suppliers must be notified at the same time with their correspondence being issued to them through the e-tendering portal.

Standstill is a 10-calendar day waiting period between the notification of an intention to award and the actual award; it is there to enable disappointed or disgruntled suppliers to question or challenge the decision before the contracts are practically awarded and once past, the process protects the CPCA from a claim of ineffectiveness

Although the requirement for Standstill is only mandatory on above FTS threshold advertised procurements, the CPCA policy is to apply a standstill period of 10 days in the following situations, except where procurement agrees otherwise:

- Above FTS threshold competitions
- Below FTS threshold procurements that have been advertised on Contracts Finder
- All contracts awarded from a framework using a mini competition over £25k and where an award notice is published
- All Direct Awards without Competition where a VEAT notice is published.

The use of a standstill period will protect the CPCA from an awarded contract being made ineffective but cannot protect against damages.

19. Tender Feedback

ALL participants in a procurement process are entitled to receive feedback on their tender submission and their performance compared to the successful supplier.

Officers are required to record the justification for their scores as part of the evaluation process and it the collated and moderated comments that must be provided to the supplier as part of the notification correspondence

Officers are advised to agree this feedback with procurement before issuing to ensure it is both sufficient to comply with the PCR2015 and does not breach the requirement to protect

commercially sensitive information or personal data which would be a breach of other Public Sector obligations.

20. Contract Documents

All contracts must be in writing, must be collated and signed in accordance with the constitution and must clearly specify the goods, works or services to be provided, including a programme of delivery, the specification and the tender response (including pricing and method statements), terms of payment, and any other terms and conditions agreed, together with exit procedures for when the contract either comes to its natural end or is terminated early, perhaps because the contractor has not fulfilled his contractual obligations, as a minimum and then an electronic copy stored on the contract register.

21. Contract Register

All contracts over £5,000 in value MUST be included on the e-tendering contract register. Where the procurement process has been managed through the e-tendering portal all of the required information can be migrated to the register as part of the procurement workflow within the system.

Where a contract has been awarded through either a waiver, quotes process or a direct award mechanism, these MUST be manually added, and all the supporting documentation appended to ensure a full audit trail of the decision processes. The Waiver and Direct Award forms all include a section at the end of each form labelled 'Contract Register Information' which will need to be completed by the instructing officer and sent to the Procurement inbox, along with the signed contract.

This list of contracts held must be available to the public and the supporting documents must be available on request by Central Government or to facilitate a response to an FOI if received.

22. Other Governance Requirements

22.1. Freedom of Information

In addition to suppliers being entitled to be advised on the outcome and administration of a procurement process, other interested parties may also wish to have access to that information.

Officers should seek guidance from the Governance team and Procurement before disclosing any information to ensure confidential personal data and commercially sensitive financial constructs, trade secrets and intellectual property are suitably redacted before any documents are shared.

22.2. Conflicts of Interest

The Public Contract Regulations and overarching legislation is designed to prevent corrupt practices and any preferential treatment or discrimination of any supplier. As such the following rules apply:

All members, officers, senior managers or organisations procuring on behalf of the CPCA must avoid any potential conflict between their own interests and the interests of the CPCA as detailed in the CPCA's Code of Conduct.

Where an interest (financial or personal) is identified this must be reported to the relevant Head of Service (as this is defined in the Constitution) and Procurement such that any identified risks can be minimized. Where such a conflict is identified that person may not participate in the procurement or evaluation process. Where this is not practical, mitigation steps must be agreed with Procurement and the Monitoring Officer.

22.3. Prevention of Bribery and Corruption

Officers, members and consultants working on behalf of the CPCA are not permitted to request or accept any form of gratuity from any suppliers.

Where evidence suggests inappropriate action or events have occurred, a contract may be terminated immediately, and any losses to the CPCA arising from the termination recovered from the supplier.

Any elected Member of the CPCA, member of staff or consultant who becomes aware or has reason to believe that a supplier or potential supplier has committed one of the improper acts must report that to the Monitoring Officer.

22.4. Prevention of Organised Crime & Modern Slavery (law)

Organised crime includes involvement in: illegal drugs, fire arms, fraud and financial crimes, money laundering, child sexual exploitations, organised immigration and human trafficking, cyber-crime and organised acquisitive crime.

Officers are required to complete a due diligence process, before awarding a contract, to ensure that the CPCA is not party to any such illegal or immoral behaviour. This must continue to be monitored throughout the life of the contract.

22.5. Late Tenders

Late tenders can only be accepted as follows

- There has only been one return
- It is less than 5 minutes late

- The other tenders have not been issued to the project officer
- The Project Manager has agreed their inclusion to facilitate competition (under £100,000)
- The relevant Director has agreed their inclusion to facilitate competition (over £100,000)

22.6. Letters of Intent

Letters of intent give the contractor the authority to proceed prior to the execution and dating of the contract. However, they should only be used where there is a genuine need and benefit to the CPCA such as to:

- facilitating the ordering of goods where there are long lead times
- enable design work to commence immediately where not doing so would have an adverse effect on the overall project deadlines and planning requirements
- Other project constraints that put the delivery at risk

All letters that fall under the points above must be agreed with legal and signed by the relevant Director. Where a letter of intent is required for any other reason, it must be agreed by the relevant Director prior to issue.

Where a letter of intent is issued it must specify its intent and include a maximum liability, which cannot exceed £100,000 unless otherwise agreed by the Monitoring Officer.

22.7. Extensions or Variations to a Contract

A Contract should only be extended or varied in accordance with any such options included in the original procurement and contract.

Where no such provision exists; a contract can only be extended or varied as permissible under procurement legislation and subject always to approval from legal and procurement.

The application of any extension or variation

- must be in the Authority's best interest ;
- must demonstrate value for money;
- must be after a new Due Diligence Check has been completed.

The approval must be in consideration of the Authority's requirements above and be based on the total of both the original and all extension values.

22.8. Contract Management

The CPCA is committed to ensuring that in addition to procuring its contracts effectively and economically, that they will be efficiently managed to ensure the benefits promised are delivered.

In addition, any documents appertaining to amendments or additions to the contract must be added to the contract register and any duration there listed amended accordingly.

22.8.1 All contracts must have a nominated officer to act as contract manager for the whole contract.

22.8.2 All contracts which exceed the threshold values, or which are high-risk, must be subject to regular, formal review with the contractor.

22.8.3 Officers must not terminate a contract prior to its expiry date without obtaining legal advice. Early termination requires the approval of the Chief Finance Officer.

22.8.4 If payments to a contractor are to be withheld or if there is a problem with a contract which may result in early termination, then legal advice must be sought.

22.8.5 Value for money reviews must take place as a minimum on an annual basis and before any contract extension.

23. Urgent decisions outside the budget or policy framework

Officers discharging executive functions may need to take a decision which is contrary to the Authority's policy framework or contrary to or not in accordance with the budget approved by the CA Board if the decision is a matter of urgency. This may include a situation where services are stopped abruptly and if not re-procured as soon as possible, will cause disruption to services to residents and/or functions of the CA. However, such a decision may only be taken: -

23.1 If it is not practical to convene a quorate meeting of the CA Board urgently; and

23.2 If the Chair of overview and scrutiny committee agrees that the decision is a matter of urgency.

23.3 If the Mayor and/or the relevant lead members agrees that it is urgent.

23.4 If the approval of the Chief Executive officer, Chief Finance Officer and Monitoring Officer is obtained.

23.5 If the reasons why it is not practical to convene a quorate meeting of the CA Board and the consent of the Chair of Overview and Scrutiny and Mayor's consent to the decision being taken as a matter of urgency must be noted on the record of the decision.

23.6 In the absence of the Chair of the Overview and scrutiny committee, the consent of the Vice-Chair of the overview and scrutiny committee will be obtained.

23.7 In the absence of the Mayor, the consent of the Deputy Mayor will be obtained.

23.8 In the absence of both the Chair and Vice Chair of the Overview and Scrutiny committee, the consent of the Mayor or Deputy Mayor will be sufficient.

23.9 Following the decision, the decision taker will provide a full report to the next available CA Board explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

23.10 The decision maker will have regard to the decision-making principles and the CA's Financial management Procedure rules in the constitution.

23.11 Steps taken by the Executive, a committee of the Executive, an individual member of the Executive or officers discharging executive functions to implement the CA's policy will not exceed budgets allocated and grants available.

24. Responsibilities

24.1 Responsibility of Directors - Directors have a duty to ensure that officers dealing with contracts have written authority to do so and comply with all appropriate rules.

24.2 Responsibilities of Officers- Officers dealing with contracts must have written authority to do so. Officers must ensure that procurement projects have policy approval and budgetary provision, and the sources of funding must be agreed and stated.



Procurement Policy Note – National Procurement Policy Statement

Action Note PPN 05/21

June 2021

Issue

1. This Procurement Policy Note (PPN) sets out information and guidance for contracting authorities on the National Procurement Policy Statement (NPPS) which will require contracting authorities to have regard to national strategic priorities for public procurement.

Dissemination and Scope

2. The contents of this PPN apply to all contracting authorities as defined in section 39(3) and (4) of the Small Business Enterprise and Employment Act 2015 and whose functions are wholly or mainly reserved. This includes central government departments, executive agencies, non-departmental public bodies, local authorities, NHS bodies and the wider public sector. Together these are referred to in this PPN as 'contracting authorities'.

3. Please circulate this PPN across your organisation and to other relevant organisations that you are responsible for, drawing it to the specific attention of those with a commercial and finance role.

Timing

4. This PPN is effective from the date of publication.

Action

5. All contracting authorities should familiarise themselves with the contents of the National Procurement Policy Statement

6. All contracting authorities should consider the following national priority outcomes alongside any additional local priorities in their procurement activities:

- creating new businesses, new jobs and new skills;
- tackling climate change and reducing waste, and
- improving supplier diversity, innovation and resilience.

7. All contracting authorities should consider whether they have the right policies and processes in place to manage the key stages of commercial delivery identified in this statement where they are relevant to their procurement portfolio.

8. All contracting authorities should consider whether they have the right organisational capability and capacity with regard to the procurement skills and resources required to deliver value for money.

Background

9. The Government is developing major legislative reforms for public procurement (set out in its Green Paper on Transforming Public Procurement) which will deliver a new regulatory regime that better meets the needs of the UK. All contracting authorities need to prepare now to ensure they have the right procurement capability and capacity so they can benefit from these changes.

10. Public procurement should be leveraged to support priority national and local outcomes for the public benefit. The Statement sets out the national priorities that all contracting authorities should have regard to in their procurement where it is relevant to the subject matter of the contract and it is proportionate to do so. Contracting authorities should consider the following social value outcomes alongside any additional local priorities:

- Creating new businesses, new jobs and new skills in the UK;
- Improving supplier diversity, innovation and resilience;
- Tackling climate change and reducing waste.

11. Contracting authorities should have processes and governance in place to determine and manage their most important contracts. Typically, the greater the complexity, cost and risk, the more important a project or programme will be and the more robust and rigorous a process is required to successfully set up, procure and manage contracts relating to it.

12. Contracting authorities should consider the procurement and contract management capability across their organisation. Contracting authorities should consider benchmarking themselves annually against relevant commercial and procurement operating standards and other comparable organisations. Benchmarking can play an important role in informing contracting authorities' assessment of whether they have the appropriate procurement skills and capability to deliver value for money and benefit from future reforms to the public procurement regulations.

13. The Government intends to bring forward legislation when Parliamentary time allows to ensure that:

- all contracting authorities are required to have regard to the National Procurement Policy Statement when undertaking procurements;
- contracting authorities with an annual spend of £200m or more are required from April 2022 to publish procurement pipelines and to benchmark their procurement capability;
- contracting authorities with an annual spend of £100m or more are required from April 2023 to publish procurement pipelines and to benchmark their procurement capability.

Contact

14. Further guidance on the National Procurement Policy Statement is available on GOV.UK.

15. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk on info@crownccommercial.gov.uk.

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[Government Commercial
Function](#)

Policy paper

The Procurement Bill - a summary guide to the provisions

Published 16 June 2022

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Keeping up to date



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Introduction

One in every three pounds of public money, some £300 Billion a year, is spent on public procurement.

The reforms proposed within the Procurement Bill are important, because they will shake up our outdated procurement system, so that every pound goes further for our communities and public services. They will place value for money, public benefit, transparency and integrity at the heart of our procurement system; they will modernise and unify our systems and processes; and they will get tough on the poor performers and fraudsters.

The Bill will reform the UK's public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with our international obligations. It will introduce a new regime that is based on value for money, competition and objective criteria in decision-making. It will create a simpler and more flexible, commercial system that better meets our country's needs. And it will more effectively open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts. It will strengthen the approach to excluding suppliers where there is clear evidence of their involvement in Modern Slavery practices, and running throughout each part of the Bill is the theme of transparency. We want to deliver world-leading standards of transparency in public procurement and this Bill paves the way for that.

Leaving the EU has provided the UK with the responsibility and opportunity to overhaul the public procurement regulations. There are currently over 350 different procurement regulations spread over a number of different regimes for different types of procurement including defence and security. The Procurement Bill will consolidate these into a single regime that is quicker, simpler and better meets the needs of the UK. We have removed the duplication and overlap in the current four regimes to create one rule book which everyone can use.

The Bill will enable the creation of a digital platform for suppliers to register their details once for use in any bids, while a central online transparency platform will allow suppliers to see all opportunities in one place. This will accelerate spending with SMEs.

The Bill - summary of Provisions

This is a large and technical Bill. It includes a number of regulation-making powers which are necessary to ensure that the legislation will continue to facilitate a modern procurement structure for many years to come and will allow us to keep pace with technological advances, new trade agreements and ahead of those who may try to use procurement improperly.

Devolved administrations

We have delivered this Bill with other nations of the United Kingdom. The result is a piece of legislation whose general scope applies to all contracting authorities in England, Wales and Northern Ireland. This will ensure contracting authorities and suppliers can benefit from the efficiencies of having a broadly consistent regime operating across the constituent parts of the UK.

The Scottish Government has opted not to join the UK Government Bill and will retain their own procurement regulations in respect of devolved Scottish authorities. This is similar to how the current regulations operate, with the Scottish Government having transposed the EU Directives into their own statute book.

Coverage

Part one of the Bill sets out which authorities and contracts the Bill applies to. It covers contracts awarded by most central government departments, their arms length bodies and the wider public sector including local government and health authorities. This also includes contracts awarded by utilities companies operating in the water, energy and transport sectors and concession contracts.

The Bill also sets out a small number of simpler rules which apply to lower value contracts. And the Bill makes provision to carve out those procurements regulated by the Health and Care Act, to ensure clarity about which regime applies.

Defence and security

This Bill consolidates the current procurement regimes and, therefore, extends to defence and security contracts. Defence procurement will benefit from the simplification and increased flexibility of the core regime.

There are a limited number of derogations that meet the specific needs of defence and security procurements and will support delivery of the Defence and Security Industrial Strategy published in March 2021. A national security exemption has also been retained to protect our national interest.

The Bill also includes a separate Schedule to enable reforms to the Single Source Contract Regulations 2014. The proposed reforms seek to ensure these regulations fully support the delivery of the Defence and Security Industrial Strategy by supporting a more strategic relationship between Government and the defence and security industries.

Principles and objectives

Part two of the Bill is focussed on the principles and objectives that must underlie the awarding of a public contract.

Contracting authorities must have regard to delivering value for money, maximising public benefit, transparency and acting with integrity. Integrity must sit at the heart

of the process. It means there must be good management, prevention of misconduct, and control in order to prevent fraud and corruption.

Part five of the Bill sets out the particular requirements on contracting authorities to identify and manage conflicts of interest.

Public procurement should also support the delivery of strategic national priorities and this part of the Bill makes provision for a National Procurement Policy Statement and a Wales Procurement Policy Statement to support this.

Undertaking a procurement

In Part three, the Bill sets out how a contracting authority can undertake a procurement and award a contract. Competition is at the heart of the regime.

The Bill introduces a new procedure for running a competitive tendering process, colloquially known as the competitive flexible procedure, ensuring for the very first time that contracting authorities can design a competition to best suit the particular needs of their contract and market.

There will continue to be a special regime for certain social, health and education services, specifically identified by secondary legislation, which may be procured as 'Light Touch Contracts', leaving room for authorities to design procurement procedures that are more appropriate for these types of services. These Light Touch Contracts are still subject to the necessary safeguarding requirements.

And the Bill also continues the existing ability to reserve certain contracts for public service mutuals and for supported employment providers.

There are a limited number of circumstances in which it may be necessary to award a contract without competition. The Bill sets these out including new rules governing the award of contracts to protect life and public order.

Exclusions and debarment

Part three also sets out the circumstances in which a supplier may be excluded from a procurement due to serious misconduct, unacceptably poor performance, or other circumstances which make the supplier unfit to bid for public contracts.

Contracting authorities will be able more easily to reject bids from suppliers which pose unacceptable risks. Part three also legislates for the introduction of a public debarment list for serious cases of misconduct. For too long, too many unscrupulous suppliers have continued to win public sector contracts due to the ambiguity of the rules, multiplicity of systems and lack of central effective oversight.

Contract management

The important work on procurement does not stop once a contract has been awarded. Part four of the Bill sets out steps that must be taken to manage a contract. This includes the strengthening of rules ensuring that suppliers are paid on time and new requirements to assess and publish information about how suppliers are performing.

Transparency notices

Running throughout the Bill are requirements to publish notices. These are the foundations for the new standards of transparency which will play such a crucial role in the new regime. Our ambitions are high and we want to ensure that procurement information is publicly available not only to support effective competition, but to provide the public with insight into how their money is being spent.

Part eight of the Bill provides for regulations which will require contracting authorities to publish these notices, resulting in more transparency and greater scrutiny.

Remedies

Part nine details what remedies are available to suppliers for breach of the new regime by contracting authorities, where that has resulted in loss or damage. Having an effective and well functioning remedies regime is essential to the successful operation of any public procurement regime.

Any claims made during an applicable standstill period (between the award decision and the entering into of the contract) will result in the procurement being automatically suspended. We will introduce a new test for the court to consider when hearing applications for the automatic suspension to be lifted better suited to procurement than the one currently applied.

Oversight

Part ten of the Bill gives an appropriate authority oversight over contracting authorities and the power to investigate their compliance with this new Act, as part of a new Procurement Review Unit.

International trade agreements

The UK is already party to a number of international agreements which guarantee valuable market access for UK suppliers. For example, our membership of the World Trade Organisation's Agreement on Government Procurement gives British businesses access to £1.3 trillion in public procurement opportunities overseas.

Access to these markets is a two-way street and requires the UK to ensure that treaty state suppliers have equivalent access to UK markets. Part seven prohibits a contracting authority from discriminating against suppliers from those states.

This Part also contains a power to make regulations specifying the agreements listed in that Schedule. This provides greater flexibility to be able to extend the procurement regime to cover matters covered by the UK's international procurement agreements, both current and future.

This is a well-defined and tightly-restricted power which will enable the procurement aspects of future trade agreements to be enacted efficiently.

It is not an open door to changing UK procurement regulations to meet international commitments. This power only allows for the extension of the UK procurement regime to cover overseas suppliers, covered by such agreements. Amendment of the UK's procurement rules is outside the scope of this power, even if it were to be required as part of an international agreement.

This power would not, for example, allow the opening up of NHS clinical healthcare procurements to private providers from the United States of America or any other State. To do so would require broader legislative changes and this power has been carefully drafted so as not to allow for that.

Keeping up to date

To keep up to date with our Transforming Public Procurement programme, you can [sign up \(https://docs.google.com/forms/d/12QBPAS1T8-Fe1xHAt0426O7T-T1WoqolPR29IGnWSws/viewform?edit_requested=true\)](https://docs.google.com/forms/d/12QBPAS1T8-Fe1xHAt0426O7T-T1WoqolPR29IGnWSws/viewform?edit_requested=true) to receive our regular newsletter, or visit the dedicated [transforming public procurement webpage \(https://www.gov.uk/government/collections/transforming-public-procurement\)](https://www.gov.uk/government/collections/transforming-public-procurement).
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Implementation of Subsidy Control Act 2022

To: Combined Authority Board

Meeting Date: 25 January 2023

Public report: Yes

Lead Member Cllr Edna Murphy (Governance

From: Edwina Adefehinti – Interim Chief Officer(Legal and Governance) Monitoring Officer

Key decision: No

Recommendations: The Combined Authority Board is recommended to:

(a) note the commencement of the UK Subsidy Control Regime on 4th January 2023 and the implications of this for the Combined Authority;

(b) subject to (c) below, unanimously agree the delegation of authority to each of the Combined Authority's Executive Directors to sign off Subsidy Control Assessments on behalf of the Combined Authority in consultation with the Monitoring Officer and Chief Finance Officer, and to note that such delegation will be added to the Standing List of Delegations to Officers contained in the Constitution

(c) approve the delegation of authority to the Combined Authority's Chief Executive in consultation with the Mayor, the Monitoring Officer and Chief Finance Officer to sign off Subsidy Control Assessments for subsidies that are subject to referral to the national Subsidy Advice Unit, and to note that such delegation will be added to the Standing List of Delegations to Officers contained in the Constitution

A simple majority of all Members present and voting

1. Purpose

1.1 The new UK subsidy control regime will commence on 4 January 2023. This has the objective of assisting public authorities to provide funding arrangements which are tailored to local needs and support priorities such as driving economic growth and reaching net zero, whilst ensuring public money is used in an effective and efficient way. This report explains the key features of the

new regime and recommends initial steps that the Combined Authority should put in place to maximise the flexibilities offered.

2. Background

2.1 The As a result of leaving the European Union, the UK is no longer subject to EU State aid rules but remains subject to numerous international commitments on subsidy control. In 2020 the UK Government announced its intent to design and implement a new domestic subsidy control regime. This is now being enacted through the Subsidy Control Act 2022, which comes into force on 4th January 2023. The Government has identified the following as the principal aims of its subsidy control regime:

- To empower local authorities, public bodies, and central and devolved administrations to design subsidies that deliver strong benefits for the UK taxpayer.
- To enable public authorities to deliver strategic interventions to support the UK's economic growth and allow them to deliver their policy priorities, such as levelling up and achieving net zero.
- To provide certainty and confidence to businesses investing in the UK, by protecting against subsidies that risk causing distortive or harmful economic impacts, including to the UK internal market.
- To contribute to meeting the UK's international commitments on subsidy control.

2.2 A subsidy is where a public authority provides financial support to an enterprise that gives them an economic advantage, meaning equivalent financial support could not have been obtained on commercial terms. The most common form of subsidy provided by the Combined Authority is grant funding, although on occasion it will also provide sub-commercial loans and other non-commercial forms of financial assistance in order to support its strategic objectives. The purpose of the subsidy control regime is to prevent public authorities from giving financial advantages to enterprises in a way that could distort competition. Whilst this is similar in purpose to the EU State Aid regime, there are important differences, the most significant of which are the following:

- Subsidy control is a more permissive regime than State Aid, with very few categories of subsidy being subject to prohibitions. This provides increased flexibility for public authorities to fund projects that would otherwise be non-viable.
- The threshold below which subsidy control does not apply is £315,000, which is higher than the previous State Aid threshold of £200,000.
- There are detailed requirements for assessing, recording and publishing subsidies. Assessment is based on the "Subsidy Control Principles", which need to be satisfied for a subsidy to be lawful. The public authority will need to be able to evidence that each subsidy provided is in line with its policy objectives, is the minimum necessary to achieve its aims, provides additionality and has benefits that will outweigh any detriment to competition or trade.
- EU State Aid rules only applied to competition that affected trade across different countries in the EU, whereas subsidy control applies to internal competition within the UK as well as internationally.
- A new Subsidy Advice Unit has been set up as part of the Competition and Markets Authority. All subsidies over £10,000,000 in value have to be referred to the Subsidy Advice Unit, and certain categories of subsidies over £5,000,000 in value also have to be referred.

2.3 Statutory Guidance for the UK Subsidy Control Regime was published by the Government on 11th November 2022. The additional flexibilities that the Regime provides could have significant positives for the Cambridgeshire and Peterborough Region, as it will potentially allow schemes to be progressed which have viability challenges that prevented funding under the State Aid regime. The Regime will also support the Combined Authority's aim to achieve a return on investment where practicable, as income sharing provisions such as overage will commonly need to be

included in investment proposals to protect taxpayers money and satisfy the Subsidy Control Principles.

2.5 The UK Subsidy Control Regime is, however, likely to be administratively onerous for public authorities, particularly those such as the Combined Authority who invest in a range of projects across different sectors. Subsidy control will have a wider effect across the organisation than EU State Aid did, as the Combined Authority commonly funds transport projects where impact on EU competition was not a relevant consideration, however there will be a potential impact on internal competition within the UK. An understanding of subsidy control will therefore need to be developed widely across the Combined Authority and embedded into business plans and investment processes. Carrying out Subsidy Control Assessments, making Subsidy Advice Unit referrals and increased registration and transparency requirements will also have resource impacts for the Combined Authority.

2.6 Each Subsidy Control Assessment that is carried out will need to be formally signed off on behalf of the Combined Authority. This will usually take place subsequently to the approval of funding for the project by the Combined Authority, although officers will have satisfied themselves in principle that the proposed subsidy is likely to be lawful and in compliance with the Subsidy Control Principles prior to recommending Combined Authority approval. It is therefore requested that the Combined Authority's Executive Directors are given delegated authority to individually sign off Subsidy Control Assessments in consultation with the Monitoring Officer and Chief Finance Officer. This delegation will apply to all subsidies apart from those which are referred to the Subsidy Advice Unit. The Subsidy Control Assessments for these higher risk, higher value subsidies will require sign off by the Combined Authority's Chief Executive in consultation with the Metro Mayor and Monitoring Officer.

3. Financial Implications

3.1 There are no direct financial implications associated with this paper.

4. Legal Implications

4.1 The Subsidy Control Act 2022 represents a significant change to the approach that public authorities must take in investing public money and introduces new legal obligations in relation to this. Legal Services will make the required changes to legal agreements and processes to reflect this and will arrange for other Combined Authority teams to receive training and guidance in relation to the discharge of these obligations.

4.2 Failure by the Combined Authority to comply with its obligations under the Subsidy Control Act 2022 could result in legal challenge. The Competition Appeal Tribunal has jurisdiction to review subsidy control decisions. If the Tribunal finds that a subsidy has been awarded contrary to the requirements of the Act, then it may prevent the subsidy from being given or require its repayment. A subsidy control legal challenge would also be costly, result in delay to the relevant project, and have potential reputational risk for the Combined Authority.

4.3 The risk of legal challenge can be mitigated by ensuring that the correct processes are followed whenever the Combined Authority is considering granting a subsidy, and that advice is taken from Legal Services at an early stage in the project to ensure that the relevant factors for the Subsidy Control Assessment are included in the business case.

5. Public Health Implications

5.1 There are no public health implications to this report.

6. Environmental and Climate Change Implications

6.1 The UK Subsidy Control Regime places specific emphasis on assessing the impact that subsidies will have on the environment, and in particular in relation to achieving net zero targets. Subsidies which relate to energy or the environment have to satisfy additional principles to ensure that they incentivise recipients in the correct way towards achieving these aims.

7. Other Significant Implications

8. Appendices

8.1 Appendix A – UK subsidy control statutory guidance- 11 November 2022

8.2 Appendix B- Subsidy control rules: key requirements for public authorities- 11 November 2022

9. Background Papers

10. Conclusion

10.1 The Subsidy Control Act 2022 introduces a new UK Subsidy Control Regime that will have a significant effect on how the Combined Authority invests public money. The recommendations set out in this Report will ensure that the Combined Authority has a process in place for addressing this change that is agile and will minimise any potential delay to funding awards and projects, whilst also including the necessary checks and balances to ensure compliance with legal requirements. This will enable the Combined Authority to be well placed to realise the potential benefit of the UK Subsidy Control Regime of increased flexibility in how funding is applied to achieve the Combined Authority's policy objectives.



Department for
Business, Energy
& Industrial Strategy

Statutory Guidance for the United Kingdom Subsidy Control Regime

Subsidy Control Act 2022



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1.

Chapter 1: About this guidance

How to use this guidance

- 1.1. This guidance is issued by the Secretary of State under section 79 of the Subsidy Control Act 2022 (the Act). Under section 79(6) public authorities must have regard to this guidance (so far as applicable to the authority and the circumstances of the case) when giving a subsidy or making a subsidy scheme.
- 1.2. This guidance explains the legal obligations on public authorities under the domestic subsidy control regime. It provides a framework for designing and awarding subsidies in a way which is consistent with the Subsidy Control Act 2022 (the Act). This guidance is designed to help public authorities award subsidies in a way which minimises any negative impacts to competition and investment, as well as promoting the effective and efficient use of public money. Those in public authorities responsible for giving subsidies should read this guidance and assure themselves that they understand the requirements set out in this document.
- 1.3. This guidance is not intended to be exhaustive, nor is it an authoritative statement of the law. Public authorities may therefore want to seek their own legal advice if, and where, they are unsure of their legal obligations or the lawfulness of a proposed subsidy or scheme.
- 1.4. There is separate guidance¹ for public authorities to help them understand the limited circumstances where subsidies will fall within scope of the Withdrawal Agreement² and the Northern Ireland Protocol,³ and therefore are not in scope of the Act.
- 1.5. If relevant, it may also be useful to refer to separate guidance published by the Competition and Markets Authority (CMA),⁴ which details their specific

¹ [Guidance on the UK's international subsidy control commitments](#)

² [Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community](#)

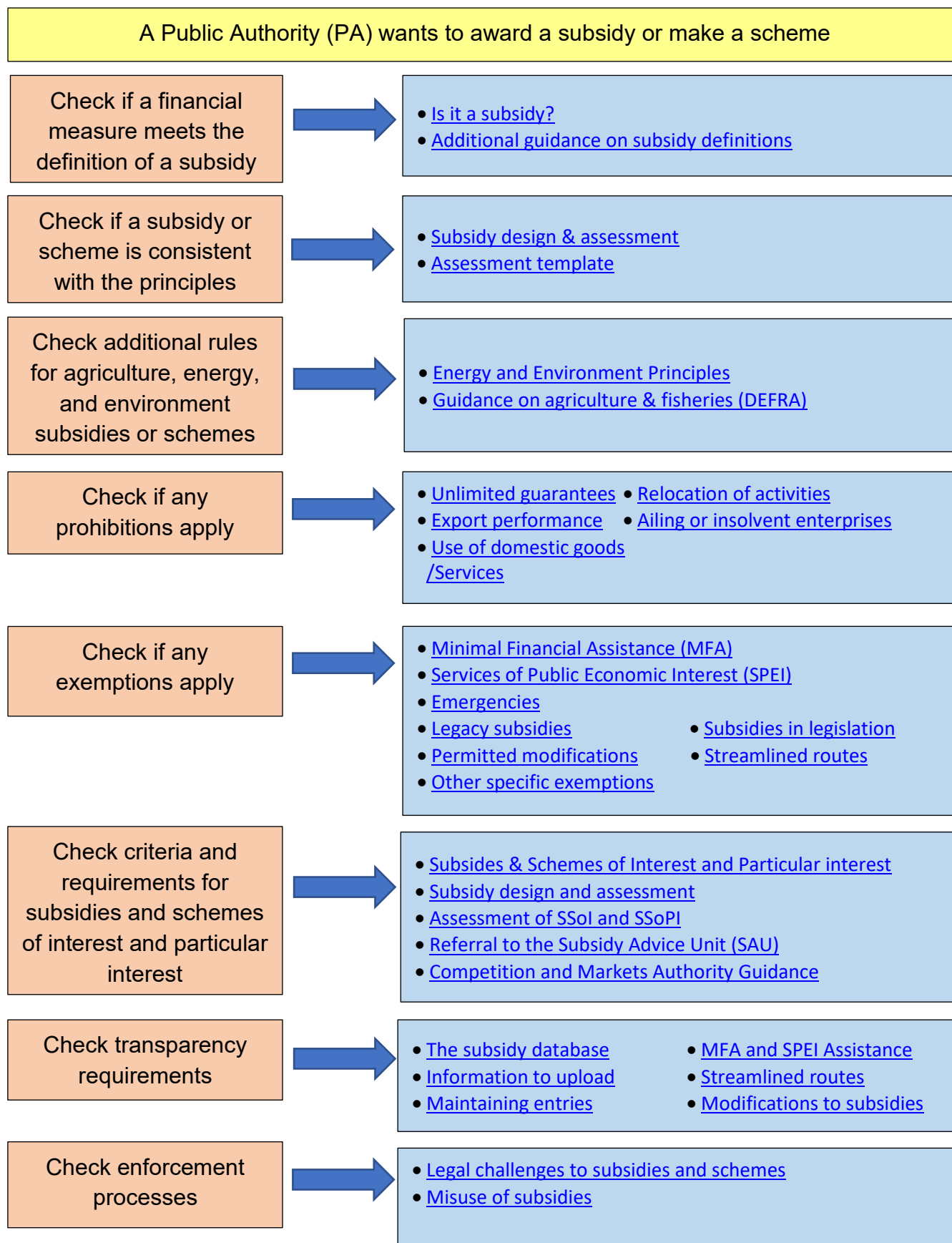
³ More information is available here: [Guidance on the UK's international subsidy control commitments - Northern Ireland Protocol](#)

⁴ <https://www.gov.uk/government/publications/guidance-on-the-operation-of-the-subsidy-control-functions-of-the-subsidy-advice-unit>

role and functions within the regime – including referral to the Subsidy Advice Unit.

- 1.6. The diagram on the next page suggests where to find specific information depending on which part of the subsidy regime readers of this guidance want to learn more about.

Subsidy control guidance (at a glance)



Who should use this guidance?

- 1.7. This guidance covers the legal obligations established by the Act and will be most useful to public authorities who are planning, or in the process of designing, financial assistance that might meet the definition for a subsidy or subsidy scheme. It is a good idea for those working for public authorities who play any part in supporting enterprises through financial assistance to familiarise themselves with the key features of the subsidy control regime.
- 1.8. Sections of this guidance may also be useful to others—for example, the beneficiaries of subsidies. For the purposes of the subsidy control regime, the responsibility for designing financial assistance measures and assessing them against the subsidy control principles always belongs to the public authority giving the subsidy or making the scheme. By extension, the responsibility for ensuring subsidy beneficiaries understand the rules also lies with public authorities. In many cases, public authorities will need to work together with beneficiaries to establish details about the beneficiaries' plans, incentives, and previous subsidies received in order to fulfil the subsidy control requirements, but the public authority should not ask the beneficiary to confirm that the subsidy is compliant with the Act.
- 1.9. Given the broad range of organisations that could be considered “public authorities”, it might not always be obvious where these responsibilities lie. Generally, the public authority responsible for the decision over whether to give a subsidy or make a scheme will bear the responsibility for ensuring compliance with the subsidy control requirements.⁵
- 1.10. In some situations, two bodies will be closely involved in the distribution of a subsidy, for example, where a central government department sets up a fund to support enterprises in a specific region, and the funds are distributed by a local authority. If the central government department has fully set out the details of the fund and the local authority is simply administering the money or applying a set of objective criteria, then the government department is the public authority for these purposes and the local authority is an intermediary. Conversely, if the central government department is making the fund available for the local authority to make decisions on how it is spent, the local authority is the public authority for subsidy control purposes.⁶ In cases such as the latter, it is good practice for the body setting up the funding programme to

⁵ As set out under Part 2 of the Act: [Subsidy Control Act \(2022\) Part 2](#)

⁶ For more information on intermediaries and the definition of ‘public authority’, please see [Chapter 2](#) and [Annex 1](#).

highlight the importance of subsidy control compliance as part of their due diligence in distributing the funds to smaller authorities.

Further resources

- 1.11. This statutory guidance seeks to explain the subsidy control requirements and the processes provided for in the Act. However, it is not an exhaustive explanation of every consideration a public authority will need to take into account when giving a subsidy and public authorities should also seek their own legal advice if, and where, they are unsure of their legal obligations or the lawfulness of a proposed subsidy or scheme.
- 1.12. The Competition and Markets Authority (CMA) [has published separate guidance on the role of its new Subsidy Advice Unit \(SAU\)](#) within the regime. This guidance provides, among other details, an overview of the SAU's role, details on the procedural arrangements for making a referral to the SAU and an outline of the analytical approach the SAU will take in producing its reports.

Additional considerations

- 1.13. Compliance with the subsidy control requirements does not replace the assessments and considerations required in the ordinary course of policy appraisal and value for money assessments, such as the techniques found in the Green⁷ and Magenta⁸ Books and in Managing Public Money. Similarly, the techniques described in Chapter 3 do not replace the assessments required to analyse the impact of a subsidy as part of the Public Sector Equality Duty⁹.

Streamlined Subsidy Schemes (known as Streamlined Routes)

- 1.14. The Government will also create several Streamlined Subsidy Schemes (known as Streamlined Routes in this guidance), which any public authority may use to give a subsidy without needing to carry out an assessment against the subsidy control requirements.
- 1.15. Streamlined Routes offer public authorities a way to award subsidies more quickly. They are intended to promote confidence and legal certainty among public authorities and enterprises undertaking projects that are routine, at

⁷ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020>

⁸ <https://www.gov.uk/government/publications/the-magenta-book>

⁹ <https://www.gov.uk/government/publications/public-sector-equality-duty>

lower risk of creating competition distortions, or aligned to priorities of the UK and devolved governments.

- 1.16. It will not be possible for persons to challenge a subsidy given correctly under a Streamlined Route in the Competition Appeal Tribunal although it will be possible to challenge a subsidy if it is not compliant with the Route. A judicial review may still be brought for a failure to comply with other breaches of public law.
- 1.17. Public authorities who wish to use a Streamlined Route will need to follow the specific eligibility rules and requirements. These will be published on gov.uk.
- 1.18. For further information about the policy objectives of Streamlined Routes, please see the government's policy statement published in January 2022.¹⁰

Northern Ireland Protocol and other international obligations

- 1.19. Subsidies in scope of the Northern Ireland Protocol and the Withdrawal Agreement, are not in scope of the Subsidy Control Act.¹¹
- 1.20. The Subsidy Control Act was developed to support compliance with our international obligations, including those under the UK-EU Trade and Co-operation Agreement (TCA) and the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures (ASCM).¹² Please note that the TCA and all our other international obligations will continue to apply and must be complied with.
- 1.21. Public authorities giving a subsidy that is likely to trigger a dispute or unilateral measures under WTO ASCM rules or under one of the UK's free trade agreements should consider the UK's separate guidance on international commitments,¹³ and contact the BEIS subsidy control team (see paragraph 1.22).

¹⁰ [Policy statement on Streamlined Routes: Objectives, operation and next steps](#)

¹¹ More information is available here: [Guidance on the UK's international subsidy control commitments - Northern Ireland Protocol](#).

¹² [World Trade Organization Agreement on Subsidies and Countervailing Measures](#)

¹³ [Guidance on the UK's international subsidy control commitments](#). This guidance also covers commitments under the WTO Agreement on Agriculture.

Guidance on particular cases

1.22. Public authorities can request support and guidance on the subsidy control requirements from the subsidy control teams at BEIS, Department for International Trade and Department for Environment, Food and Rural Affairs (Defra), and the Subsidy Control teams in the devolved governments.

- UK Subsidy Control team subsidycontrol@beis.gov.uk
- Defra Subsidy Control team: nick.howard@defra.gov.uk
- DfE Subsidy Control team (Northern Ireland): subsidycontrol@economy-ni.gov.uk
- DAERA State Aid Unit (Northern Ireland – Agriculture): stateaid@daera-ni.gov.uk
- Subsidy Control Division (Scotland): subsidycontrol@gov.scot
- Subsidy Control Team (Wales): SubsidyControlUnit@gov.wales
- DIT WTO team: wtocommitteeinbox@trade.gov.uk
- Defra WTO team: wto.team@defra.gov.uk

Overview of the subsidy control regime

- 1.23. A subsidy is where a public authority – for example central, devolved, or local government – provides support to an enterprise that gives them an economic advantage, meaning equivalent support could not have been obtained on commercial terms. This can take the form of a grant, a tax break, a loan, guarantee or equity investment on favourable terms, or the use of facilities below market price, amongst other kinds of support. A fuller definition of “subsidy” and related terms used throughout this guidance are set out in [Chapter 2](#) and [Annex 1](#).
- 1.24. The purpose of the subsidy control regime is to prevent public authorities from giving financial advantages to enterprises in a way that could distort competition. Over time, the ineffective use of subsidies can lead to inefficient and unproductive industries, preventing the emergence of new and more innovative enterprises which could deliver better products more cheaply, damaging the UK’s long-term prosperity. Preventing wasteful or harmful subsidies also means taxpayers’ money can be used in better ways.
- 1.25. Having left the European Union, the UK is no longer subject to EU State aid rules. In September 2020, the UK Government announced its intent to design a new domestic subsidy control regime that best suited the needs of the UK, representing value for money to the UK taxpayer, and complying with international obligations. The Act was introduced to Parliament as the Subsidy Control Bill in June 2021 and comes into force on 4th January 2022.
- 1.26. The new subsidy control regime:
- Empowers local authorities, public bodies, and central and devolved administrations to design subsidies that deliver strong benefits for the UK taxpayer.
 - Enables public authorities to deliver strategic interventions to support the UK’s economic growth and allows them to deliver their policy priorities, such as levelling up and achieving net zero.
 - Provides certainty and confidence to businesses investing in the UK, by protecting against subsidies that risk causing distortive or harmful economic impacts, including to the UK internal market.
 - Contributes to meeting the UK’s international commitments on subsidy control, including its international commitments under the WTO’s ASCM, the TCA, and in other free trade agreements.

Executive summary

Is it a subsidy?

- 1.27. As a first step, public authorities must establish if the support (known as financial assistance) they are proposing to provide meets the definition of a subsidy under the regime. For financial assistance to be a subsidy it must meet four specific conditions. These are discussed under [Chapter 2](#) of the guidance, and in further detail in [Annex 1](#).
- 1.28. The chapter also explains what financial assistance is, and what a subsidy scheme is.

Assessment against the subsidy control principles

- 1.29. [Chapter 3](#) of the guidance explains the subsidy control principles and provides a four-part assessment framework to support public authorities in designing their subsidies in a way that is consistent with the principles.
- 1.30. Public authorities should consider the subsidy control principles when designing a subsidy, and they must not give a subsidy unless they are of the view that it is consistent with the subsidy control principles. The framework has been provided to aid public authorities in meeting this requirement.
- 1.31. Public authorities will need to make sure that the depth of their analysis on a subsidy is commensurate to the size and potential distortive impact of the subsidy. Further details on how to carry out a more in-depth assessment are set out in [Annex 2](#).
- 1.32. Public authorities will need to assess a subsidy scheme to ensure that any subsidy given under it will be compliant with the subsidy control principles and other requirements, enabling them to give subsidies under the scheme without delay in the future. As such, the steps required to assess a subsidy scheme are very similar to the steps required when assessing an individual subsidy.
- 1.33. Subsidies and schemes that are given in relation to energy or the environment are also subject to the energy and environment principles. Guidance for public authorities determining whether their subsidies are subject these additional principles and making these assessments is set out in [Chapter 4](#).

Prohibitions and other requirements

- 1.34. The subsidy control regime prohibits some categories of subsidy outright. Other categories of subsidy may only be given where they meet certain

conditions. This is because these categories of subsidy pose a greater risk of significantly distorting competition or investment in the UK, or international trade or investment.

- 1.35. Public authorities will find a description of the categories of subsidy that are prohibited outright under the regime in [Chapter 5](#) of the guidance. They will also find an explanation of the conditions some specific subsidies must comply with.

Services of Public Economic Interest (SPEI)

- 1.36. [Chapter 6](#) explains provisions in the Act for public authorities to provide subsidies for Services of Public Economic Interest (SPEI). These are subsidies for essential services provided to the public that would otherwise not be supplied in an appropriate way or may not be supplied at all by the market. Examples of SPEIs may include postal services, social housing, and some types of transport networks, particularly in rural or less populated areas of the country. Chapter 6 sets out the substantive and procedural requirements public authorities must follow in order to provide an SPEI subsidy.

Exemptions and permitted modifications to subsidies

- 1.37. The subsidy control regime allows for exemptions for subsidies and schemes in specific cases.
- 1.38. [Chapter 7](#) sets out details of one such general exemption, for Minimal Financial Assistance (MFA), which allows public authorities to award low value subsidies without needing to comply with the majority of the subsidy control requirements. MFA is capped at a financial threshold, meaning no recipient can receive more than £315,000 over three years if the public authority wishes to rely on the exemption.
- 1.39. There are also a number of general exemptions to the subsidy control requirements, either wholly or in part, in relation to subsidies and subsidy schemes in exceptional circumstances. Examples of these exemptions include measures taken in response to natural disasters and natural or economic emergencies, and for reasons of national security and financial stability. [Chapter 8](#) sets out further details regarding these kinds of subsidies.
- 1.40. Also exempt from the regime are subsidies and schemes related to the Withdrawal Agreement with the EU and the Northern Ireland Protocol, and

legacy subsidies given under schemes which were made before the Act comes into force. These are explained in [Chapter 9](#).

- 1.41. If a public authority makes a minor change to a subsidy or subsidy scheme, it will not necessarily need to carry out a full assessment of the altered subsidy or scheme against the subsidy control requirements. Chapter 9 of the guidance also discusses the permitted modifications that a public authority may make to a subsidy that has already been given or scheme that has already been made.

Subsidies and Schemes of Interest and Particular Interest

- 1.42. The regime also requires certain categories of subsidy and subsidy scheme to receive closer scrutiny before a public authority can give them. Subsidies and Schemes of Interest (SSoIs), and Subsidies and Schemes of Particular Interest (SSoPIs) are subsidies which potentially pose a substantial risk of negative effects on competition or investment in the UK, or on international trade or investment.¹⁴ [Chapter 10](#) sets out how SSoIs and SSoPIs are defined. Public authorities are required to ensure that any SSoIs or SSoPIs they give or make are compliant with the subsidy control requirements.
- 1.43. Because of the higher likelihood that these subsidies and schemes could be unduly distortive, public authorities should ensure their analysis is proportionate to the risk they pose. [Annex 2](#) describes additional in-depth assessments for SSoI and SSoPI that public authorities should consider using to ensure that they are consistent with the principles.
- 1.44. The SAU has been set up in the CMA with responsibility for advising on subsidies referred to them (SSoIs, SSoPIs and those subsidies or schemes “called in” by the Secretary of State) to evaluate the public authority’s assessment of compliance with the regime and publish a report of their findings. These reports will be made publicly available and will provide an additional layer of transparency for SSoPIs. They may also highlight examples of best practice. [Chapter 11](#) of this guidance explains the SAU’s role and the process public authorities are required to follow when requesting a report. It is mandatory for public authorities to request a report from the SAU where they are giving or making a SSoPI, and they may consider requesting a report where they are giving or making a SSoI.

¹⁴ The government consulted on these definitions with the consultation closing on 6 May 2022. The government response to that consultation can be found here: [consultation on Subsidies and Schemes of Interest and of Particular Interest](#).

- 1.45. The CMA [has issued separate guidance](#) to explain the referral process to the SAU in detail. Public authorities will need to ensure they refer to the CMA guidance when making an application to the SAU.

Transparency requirements and enforcement of the regime

- 1.46. The transparency of subsidy decisions across the regime is important to ensure accountability and to allow interested parties to challenge subsidy decisions. Chapters 12, 13, and 14 of the guidance detail the transparency requirements and enforcement mechanisms of the regime.
- 1.47. To ensure transparency of subsidy decisions, public authorities must upload details of the subsidies and subsidy schemes they have given or made to [the subsidy database](#) – a single, publicly available record.
- 1.48. Interested parties will be able to challenge a public authority's decision to give a subsidy or make a subsidy scheme through the Competition Appeal Tribunal (the Tribunal). Details of making a challenge to a subsidy decision are discussed in [Chapter 12](#) of this guidance. The chapter explains who can ask the Tribunal to review a subsidy decision, which decisions can be reviewed by the Tribunal, and the conditions in which an application for review may be made.
- 1.49. The Tribunal will have the power to grant relief as they would when deciding a legal challenge under judicial review. In addition, the Tribunal will also have the power to make a recovery order, directing a public authority to reclaim a subsidy from its beneficiary.
- 1.50. Potential interested parties should note the section on time limits in the chapter, which they must comply with if they wish to apply to the Tribunal for review of a subsidy decision. These time limits are mandatory and set by the Act, so a clear understanding of them is necessary to ensure that interested parties raise a challenge at the Tribunal within these time limits.
- 1.51. It is also possible for potential interested parties to make pre-action information requests, in which they may ask a public authority for information to help them determine whether the subsidy was given, or scheme was made, in accordance with the requirements of the Act. The procedure and best practice for pre-action information requests is also set out in [Chapter 13](#).
- 1.52. Where a subsidy is being misused, public authorities will have the statutory right to recover the subsidy without needing an order from the courts. Subsidies may be recovered to the extent that they have been used for a purpose other than the purpose for which it has been given. However, public

authorities have discretion to decide when to exercise their right to recover a subsidy and it may not always be appropriate to do so.

- 1.53. [Chapter 13](#) also provides details of the considerations for a public authority if they are considering recovering a subsidy, or they believe a subsidy is being misused.

Subsidies in primary legislation

- 1.54. Specific provisions in the Act apply to subsidies given and subsidy schemes made by primary legislation (that is, subsidies that are provided for directly by the UK Parliament, the Scottish Parliament, Senedd Cymru, or the Northern Ireland Assembly). The application of the subsidy control rules in the context of primary legislation is discussed under [Chapter 14](#) of this guidance.

Annexes

- 1.55. [Annex 1](#) sets out more in-depth information on how to determine whether a particular financial assistance measure is a subsidy, following on from Chapter 2.
- 1.56. [Annex 2](#) sets out further information for making an assessment against the subsidy control principles for SSols and SSoPIs, following on from Chapter 3.

2.

Chapter 2: Is it a subsidy?

Overview of the chapter

- 2.1. The subsidy control regime does not apply to all types of financial assistance given by public authorities. In the early stages of decision-making, it is therefore key that public authorities assess whether the financial assistance that is given falls under the definition of a subsidy that is set out in the Act.
- 2.2. Financial assistance – whether or not it constitutes a subsidy – can be given in a number of forms. That includes, for example, a grant, a tax break, a loan or guarantee, an equity investment, or the use of facilities. The first part of this chapter explains in more detail what financial assistance is, and the point at which it is considered to have been given.
- 2.3. The second part of the chapter sets out what public authorities should consider in determining whether the subsidy control regime is engaged. The definition of a subsidy consists of a four-limbed test, of which each condition must be met in order for the financial assistance to constitute a subsidy. This test allows the UK to meet national policy objectives and international obligations. Where each limb is met, the financial assistance will be a subsidy and therefore must be given in accordance with the Act.
- 2.4. Finally, this chapter of the guidance explains what a ‘scheme’ is for the purpose of the Act.

What is financial assistance?

- 2.5. Financial assistance is a wide concept including any kind of support or market transaction that is considered to have a financial value for the recipient. It can include:
 - a direct transfer of funds (such as a grant, a loan or an equity investment);
 - a contingent transfer of funds (such as a loan or rent guarantee);
 - the forgoing of revenue that is otherwise due (such as a tax relief or exemption);

- the provision of goods or services (either as a benefit-in-kind where no payment is received, or where payment is received); or
 - the purchase of goods or services (where payment is given in return).
- 2.6. The examples set out above should not be considered exhaustive. Financial assistance captures any provision of funds, goods, or services, regardless of whether anything is received in return. It also includes any commitment to provide those things in the future, or in certain scenarios.
- 2.7. For the purposes of the Act, the point that financial assistance is given is the point that there is a binding commitment from the giver to the recipient. This may not be the same date that funds (or goods or services) are transferred – and indeed, the subsidy may be given in multiple instalments over a longer period of time. It may also be much later than the original declaration of support or intention to provide the financial assistance.
- 2.8. The subsidy may also require further conditions to be fulfilled for the giving of the subsidy, or for the giving of subsequent instalments of the subsidy, after the point that the binding commitment is made. In these cases, the point that the financial assistance is given is the point at which the binding commitment was originally made by the public authority, and not the point at which any further conditions are fulfilled. This is relevant for considering the market value of the financial assistance.
- 2.9. The subsequent sections of this chapter set out the circumstances in which financial assistance should be considered a subsidy. If the financial assistance is indeed a subsidy, then the date that the financial assistance is given (i.e., the date the binding commitment is made) will generally be the same as the date of the subsidy decision (i.e., the confirmation of the decision to give a subsidy). This is important for determining the deadlines for the public authority's transparency obligations and the relevant time periods for the purposes of legal challenge to a subsidy decision.

Example

On 1 January, a local authority signs a contract with a business to provide support to enable them to develop an innovative green technology. The contract specifies that:

- On 1 January, a £1m grant will be paid;
- On 1 June, a £1m loan will be made at a 3% rate of interest if the business confirms it wants to take up the option; and

- At any point over the year, a further £1m grant will be paid if the technology meets the metrics for success specified in the contract.

All this financial assistance set out above should be considered to be given on 1 January, because that is the date the contract came into effect, and this is also the date of the subsidy decision. This is the relevant date for:

- Determining whether or not the option of the loan was financial assistance provided at market rate;
- Determining the value of the loan and the performance-related grant; and
- The beginning of the three-month time period during which the subsidy must be uploaded onto the database (as it is a non-tax measure).

- 2.10. If the financial assistance is given in the form of a tax measure (that is, a relief or exemption from a specific tax), it is given at the point at which the taxpayer becomes entitled to the subsidy. This will vary according to the nature of the tax. Where the taxpayer self-assesses entitlement to the financial assistance in a tax declaration, such as a corporation tax return, the financial assistance is given when the tax declaration is submitted. The date the subsidy is given is not altered by any enquiry into eligibility for the subsidy after the receipt of the tax declaration.
- 2.11. The date on which a subsidy scheme is considered to be made is set out in the section relating to schemes, below.

Is it a subsidy? The four-limbed test

- 2.12. Financial assistance will be considered a subsidy where it satisfies all four of the following 'limbs' of the test contained in the Act. Each limb of the test is described below, and examples have been given of the types of financial assistance that may not meet the test, and therefore may not be considered a subsidy. [Annex 1](#) provides further information for public authorities to consider in circumstances where there is any doubt as to whether the tests are satisfied.
- 2.13. It is important to emphasise that there are many examples of financial assistance that satisfy one or more limbs, but not all four – these are therefore not subsidies. It is important for those giving financial assistance to be clear that their measure meets all four limbs, to understand whether to proceed to apply the subsidy control requirements as set out in the rest of this guidance.

- 2.14. For some measures, this will be straightforward to determine – for example, a grant given by central, devolved, or local government to a commercial business is very likely to be a subsidy. In other instances, it will be important to consider carefully – for example, if there is a question as to whether the financial assistance is provided on commercial terms, or whether the recipient of the assistance is engaging in economic or non-economic activity.
- 2.15. Specific examples are given in Annex 1 that relate to the fields of Research, Development & Innovation (RD&I); education; health; infrastructure; and cultural and heritage activity. These are fields in which much activity is not economic, and therefore public authorities should pay particular attention before concluding that the financial assistance measure they are giving is a subsidy.
- 2.16. **Limb A:** The financial assistance is given, directly or indirectly, from public resources by a public authority. Public authorities include any entity which exercises functions of a public nature. Public resources include public funds that are administered by the UK Government, the devolved governments, or local authorities, whether they are given directly, through other public bodies (e.g., agencies), or through private bodies.

Examples of financial assistance that may not meet this test include:

- Where regulation requires a transfer between two private bodies, without the resources coming under the control of a public authority;
- Where a body with both public and private functions is giving the financial assistance in relation to its private functions, using private resources; and
- Where the financial assistance is given by a private body in which a public authority has a minority shareholding and exercises almost no influence over its decisions.

- 2.17. **Limb B:** The financial assistance confers an economic advantage on one or more enterprises. This limb has two components. Firstly, the recipient of the assistance must be an enterprise: any entity (that is, any person, or groups of persons under common control) that is engaged in an economic activity, which means offering goods and services on a market. If the recipient is engaged in both economic and non-economic activity, it should be considered an enterprise only in relation to its economic activity.

Examples of financial assistance that may not meet this test include:

- Financial assistance to a recipient that does not provide goods or services on the market (for example, NHS providers of health services);
- A ringfenced grant to a charity for its non-economic activities (even if the charity also provides some goods or services on the market); and
- Support for an organisation that carries out non-economic activities with some ancillary economic activities (e.g., renting out equipment for less than 20% of the time or providing a café or gift shop).

- 2.18. Secondly, it must confer economic advantage, meaning that the financial assistance is provided on favourable terms. Financial assistance will not confer an economic advantage if it could reasonably be considered to have been given on the same terms as it could have been obtained on the market. This is known as the Commercial Market Operator (CMO) principle.

Examples of financial assistance that may not meet this test include:

- Purchasing goods and services following appropriate public procurement processes at market rate; and
- A loan, guarantee or equity investment provided on CMO principle terms (i.e., that could reasonably have been provided by a private investor on the market), for example by being given on the same terms at the same time as a significant private sector investment, or evidenced via benchmarking or profitability analysis, or both.

- 2.19. **Limb C:** The financial assistance is specific, such that it benefits one or more enterprises over one or more enterprises with respect to the production of goods or provision of services. This definition covers financial assistance that is provided directly or indirectly to specific beneficiaries determined on a discretionary basis by the public authority, as well as assistance that benefits (directly or indirectly) only enterprises in a particular sector, industry, or area, or with certain characteristics.

Examples of financial assistance that may not meet this test include:

- Measures which treat equally all enterprises in the area for which the authority exercises its responsibilities (even if those enterprises are advantaged compared to those in the rest of the UK).

- 2.20. **Limb D:** The financial assistance has, or is capable of having, an effect on competition or investment within the UK, or on trade or investment between the UK and another country or territory, or both. Financial assistance envisaged by public authorities must be capable of producing a relevant effect, such that it is capable of having a genuine, adverse effect that is more than incidental or hypothetical on competition or investment in the UK, or international trade or investment, in order to constitute a subsidy.

Examples of financial assistance that may not meet this test include:

- Where the enterprise is operating in a market inherently without competition and there is no evidence of any potential market entry (e.g., a hairdresser in a remote village); and
- Where the enterprise is providing a wholly unique good or service with no relevant competitors domestically or globally, and no evidence of any potential market entry.

- 2.21. Further detail on each of the four limbs of the test is set out in Annex 1. This annex describes how public authorities should consider whether the test is met, where there is any doubt.

What is a scheme?

- 2.22. The Act makes provision not only for the giving of standalone subsidies, but also for the making of subsidy schemes.
- 2.23. A scheme is a set of rules that describes the eligibility, terms, and conditions for any number of possible subsidies to be given under the scheme. The public authority must assess compliance with the subsidy control requirements for all those possible subsidies in the round, and therefore must have concluded that any subsidy given compatibly with the scheme (i.e., subject to the scheme conditions) would be consistent with the subsidy control requirements. Further information on assessing a scheme against the subsidy control principles is found in Chapter 3.
- 2.24. The date that a scheme is made should be the date on which the scheme's rules were formally confirmed and put into operation by the public authority. This might be, for example, when a public authority issues a call for bids to

access a particular fund, or the date any secondary legislation setting out a scheme's parameters comes into force.¹⁵

- 2.25. Not all policies, programmes or projects that distribute subsidies can be considered schemes under the Act. In some cases, the public authority may choose to assess compliance with the subsidy control principles for each individual subsidy given under a programme: since the subsidies are evaluated separately, the programme is not considered a subsidy scheme. In other cases, a funding project may form part of a wider scheme (for example, an innovation grant subsidy scheme may run from 2023 to 2028, with the public authority running yearly competitions that do not constitute separate schemes).
- 2.26. The Act also provides for the giving of subsidies under 'legacy schemes' – that is, those schemes that existed before the Act came into force. Further detail on legacy schemes is provided in [Chapter 9](#).

Subsidy or scheme?

- 2.27. It is also important to distinguish between a subsidy with multiple components, or that is given in multiple instalments, from a scheme.
- 2.28. A subsidy is a binding commitment with a specific beneficiary. In general, a subsidy will be given to a single beneficiary, although in some cases multiple enterprises could benefit from the same subsidy, for example where they are collaborating on the activity for which the subsidy is given. A subsidy may include contingencies (e.g., a payment being made on a certain date if a target is met) but these contingencies should leave no discretion to the public authority if the relevant conditions are met.
- 2.29. A scheme, on the other hand, is usually not a binding commitment and may give a public authority a substantial degree of discretion in deciding exactly which possible subsidies under the scheme should be given. It can have any number of beneficiaries, who need have no connection to each other besides their receipt of subsidies under the scheme.
- 2.30. Certain schemes will create legal obligations on the public authority towards a general class of beneficiary, without any involvement of, or contracting with, specific beneficiaries. Examples could include a scheme in which consumers are given credits to purchase certain goods or services from local businesses

¹⁵ There may be multiple dates when the scheme could reasonably be said to be made, in which case the public authority will have the flexibility to choose the most appropriate.

which are then reimbursed by the government to the enterprise, or a tax scheme where the enterprise's tax liabilities are reduced by a greater amount for expenditure on zero emission goods vehicles compared to expenditure on other types of vehicles.

- 2.31. As set out above, for tax measures, the subsidy is generally considered to be given on the date of the tax declaration. For non-tax measures where the initial legal obligation is created towards a general class of beneficiary, the date the subsidy is given under the scheme should be considered in a similar way, considering when it is appropriate to consider that a binding commitment has been made to a specific beneficiary – this may be the date on which a specific beneficiary submits a claim for reimbursement.

Primary public authority and Streamlined Routes

- 2.32. In general, subsidy schemes will be set up by a public authority for its own use – that is, the authority making the scheme and giving the subsidy will be one and the same. However, there are exceptions. The Act sets out that a 'primary public authority' may make schemes for the use of other public authorities: for example, the UK government or the devolved governments may make a scheme for the use of local authorities in their jurisdiction. The Act places no obligation on public authorities to use such schemes.
- 2.33. Streamlined Routes (known as Streamlined Subsidy Schemes in the Act) are a type of scheme made by the UK Government for the use of any public authority in the UK. They will offer public authorities a way to award subsidies more quickly, should they so choose. They will promote confidence and legal certainty to public authorities and businesses undertaking projects that are routine, low risk, and aligned to UK strategic priorities. More information on Streamlined Routes can be found on GOV.UK.¹⁶

¹⁶ <https://www.gov.uk/government/collections/subsidy-control-regime>

3.

Chapter 3: Subsidy design and assessment

Using this chapter

- 3.1. If a financial assistance measure meets the definition of a subsidy outlined in [Chapter 2](#), that subsidy will generally need to be assessed against the subsidy control principles. This chapter sets out the steps a public authority should take when making that assessment. Exemptions to this requirement are set out in Chapters 4 to 8.
- 3.2. Subsidy schemes must be assessed against the subsidy control principles and cannot be made unless the public authority decides the scheme is consistent with the principles. If the subsidy falls under an existing scheme, including a “legacy scheme” or a Streamlined Route, then there is no need to carry out an assessment against the subsidy control principles.
- 3.3. If a public authority is proposing a new subsidy or scheme that meets the criteria for a Subsidy or Scheme of Interest (SSoI) or Subsidy or Scheme of Particular Interest (SSoPI), they should also follow the steps set out in [Annex 2](#) when making their assessment against the subsidy control principles.
- 3.4. There are also specific steps that public authorities should take if they are proposing a new subsidy or scheme related to energy or the environment. These additional steps are set out in [Chapter 4](#).
- 3.5. The design of a subsidy or a subsidy scheme will also need to consider the prohibitions and requirements. These additional steps are set out in [Chapter 5](#).

Overview of the chapter

- 3.6. Subsidies can be important and useful tools to help deliver policy objectives, but they need to be designed carefully so that their benefits outweigh any negative effects.

- 3.7. Well-designed subsidies can bring about benefits for society by correcting market failures and addressing social equity issues. They can spur businesses to undertake activity which would not happen otherwise, such as research and development or increasing the uptake of low carbon technology, and which would increase economic productivity and wider non-economic prosperity. However, subsidies also give rise to adverse effects on competition or investment in the UK, or on international trade or investment, which may prevent markets from delivering efficient outcomes that ultimately benefit society. The Act sets out seven principles that public authorities must consider when giving subsidies.¹⁷ These principles are:

Principle A: Subsidies should pursue a specific policy objective in order to remedy an identified market failure or address an equity rationale (such as local or regional disadvantage, social difficulties or distributional concerns).

Principle B: Subsidies should be proportionate to their specific policy objective and limited to what is necessary to achieve it.

Principle C: Subsidies should be designed to bring about a change of economic behaviour of the beneficiary. That change, in relation to a subsidy, should be conducive to achieving its specific policy objective, and something that would not happen without the subsidy.

Principle D: Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.

Principle E: Subsidies should be an appropriate policy instrument for achieving their specific policy objective and that objective cannot be achieved through other, less distortive, means.

Principle F: Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition and investment within the United Kingdom.

Principle G: Subsidies' beneficial effects (in terms of achieving their specific policy objective) should outweigh any negative effects, including in particular negative effects on competition and investment within the United Kingdom, and international trade and investment.

¹⁷ Certain subsidies and schemes are also subject to the energy and environment principles (see [Chapter 4](#)). Unless otherwise stated, references to “the principles” refer to the general principles set out in Schedule 1 of the Act.

- 3.8. The subsidy control principles help to ensure that public authorities design subsidies in such a way that they deliver strong benefits and good value for money for taxpayers, minimise any negative effects on competition and investment in the UK, and help the UK meet its international obligations.
- 3.9. The subsidy control principles should be carefully considered as part of the subsidy design process. This chapter sets out a four-step assessment framework to help public authorities ensure that a subsidy is consistent with these principles. This involves public authorities considering the following steps:
- *Step 1: Identifying the policy objective, ensuring it addresses a market failure or equity concern, and determining whether a subsidy is the right tool to use.* This step ensures that the subsidy or scheme is consistent with Principle A and Principle E.
 - *Step 2: Ensuring that the subsidy is designed to create the right incentives for the beneficiary and bring about a change.* This step ensures that the subsidy or scheme is consistent with Principle C and Principle D.
 - *Step 3: Considering the distortive impacts that the subsidy may have and keeping them as low as possible.* This step ensures that the subsidy or scheme is consistent with Principle B and Principle F.
 - *Step 4: Carrying out the balancing exercise.* This step ensures that the subsidy or scheme is consistent with Principle G.

Carrying out an appropriate assessment

- 3.10. Section 12 of the Act requires public authorities, when taking a decision to give an individual subsidy or make a subsidy scheme, to consider the principles and to be of the view that the subsidy or scheme in question is consistent with those principles. It is important to note that this affords public authorities an appropriate degree of discretion. To come to their view on consistency with the principles, they will need to carry out an assessment involving analysis.
- 3.11. The depth of analysis conducted under the assessment needs to be commensurate¹⁸ to the size and potential distortive impact of the subsidy or scheme in question. In most cases, assessing compliance with principles (using the four-step subsidy control assessment framework) should be done

¹⁸ 'Commensurate' is used in this guidance in place of 'proportionate' so as to distinguish it from the term as used in Principle B.

alongside the business case for the subsidy, using similar evidence sources and analysis.

- 3.12. The analysis can be less detailed where the subsidy is relatively lower in monetary value, has very few potentially distortive design features, or where there is established evidence that similar subsidies have resulted in few or limited adverse impacts. Conversely, the analysis should be more extensive for novel and contentious subsidies and for those with more distortive design features. If the subsidy meets the criteria for a SSol or SSoPI, the public authority should carry out more extensive analysis, as set out in [Annex 2](#).
- 3.13. Public authorities are advised to document the evidence, analysis, and conclusions formed as part of their principles assessment. This will be useful in the event of any pre-action information request or challenge (see [Chapter 13](#)). For guidance on record keeping see [Chapter 12](#).

How to assess schemes

- 3.14. As set out in [Chapter 2](#), subsidy schemes may be created by any public authority. The purpose of a subsidy scheme is to enable multiple subsidies to be given to multiple beneficiaries for the same policy purpose. Streamlined Routes are a specific type of subsidy scheme, also described in more detail in [Chapter 2](#).
- 3.15. Subsidy schemes (including Streamlined Routes) must be assessed against the subsidy control principles and cannot be made unless the public authority decides the scheme is consistent with the principles. This means that all potential subsidies within the scheme must be assessed as compliant with the subsidy control principles.
- 3.16. The rules and parameters of the scheme should be designed to ensure all potential subsidies within it meet the principles.¹⁹ A scheme's consistency with the subsidy control principles is in general assessed in the same manner as for individual subsidies. This assessment should focus on the 'edge cases' – in other words, the subsidies that could reasonably be given under the terms of that new scheme that have the highest risk of not complying with the principles. Potential edge case subsidies under the proposed scheme should be assessed against the principles in the same way as a standalone subsidy, using the same steps set out in this chapter.

¹⁹ A subsidy that is not given in line with the terms of the subsidy scheme is a new subsidy that must be separately assessed against the relevant subsidy control principles. Permitted modifications may, however, still be made to a subsidy or scheme without being required to carry out a further assessment against the subsidy control principles – see [Chapter 9](#) for more information.

3.17. Alongside appropriate terms and conditions, schemes may, in some cases, include process requirements and objective criteria so as to ensure compliance with certain principles. These would be built into the scheme's eligibility requirements and would need to be carried out before a subsidy is given. For instance, the scheme may require the recipient to confirm that it has not received any other subsidies for the project in question or to require the public authority to carry out a check that the prospective beneficiary meets the criteria. For more potentially distortive or more complex schemes, it may be appropriate for the public authority to carry out analysis to confirm that the prospective beneficiary meets the scheme rules and therefore for the methodology of that analysis to be set out as part of the scheme.

Assessment Framework Step 1: Identifying the policy objective and determining whether a subsidy is the right tool to use

3.18. To ensure there is a benefit to wider society, public authorities may only give subsidies to pursue a specific policy objective which:

- remedies a market failure; or
- addresses an equity concern, i.e., redistributes resources between different groups or areas more fairly.

3.19. In doing so, the subsidy can improve overall societal welfare or distribute resources more fairly, or both. The identified policy objective may straddle both efficiency²⁰ and equity issues. A single subsidy or scheme may have more than one specific policy objective, as long as all objectives address a market failure or social equity concern, or both.

3.20. It is also possible that the subsidy (or a wider policy intervention of which it forms part) may have policy benefits which do not fall into either of these two categories. These wider benefits should not be considered as part of this assessment against the subsidy control principles.²¹

²⁰ As correcting market failure will lead to resources being allocated more efficiently

²¹ For example, they must not be taken into account in the fourth step of the assessment process, the balancing test, and they do not have a bearing on whether the Energy & Environment principles apply (see [Chapter 4](#)).

Market failure

Types of market failure and how to identify them

3.21. Market failure occurs where market forces alone do not produce an efficient outcome.²² Where this arises, businesses may make investments that are financially rational for themselves, but not socially desirable. The most common cases of market failure which are relevant for subsidy control occur when at least one of the following features is present:

- the existence of externalities;
- the involvement of public goods; or
- imperfect or asymmetric information.

Externalities

3.22. An externality occurs where a business's activities affect third parties.²³ These third parties do not pay for the benefits they derive (in the case of positive externalities) or are not compensated for the costs that fall on them (in the case of negative externalities).

3.23. An example of a negative externality is the discharge of untreated industrial effluent by a factory into a nearby river. This could impact river ecology and prevent people from swimming or fishing, thereby causing harm to people who have no involvement in the business's activities and to society at large. The full cost of the emissions is not directly factored into the decisions involved in producing them. As such, the factory's emissions will be higher than if the business had to compensate the affected third parties. A public authority may be able to improve overall welfare for society by intervening in the market, such as through a well-designed subsidy.

3.24. Although negative externalities constitute a market failure for the purpose of Principle A, it is important that public authorities note the general principle, known as the "polluter pays principle", where those who produce pollution should bear the costs associated with it. Furthermore, public authorities looking to award subsidies in relation to energy and environment should also ensure that the subsidy is consistent with Principle B of the energy and

²² An efficient outcome is defined as a situation where no one can be made better off without making someone else worse off. In effect the outcomes for a group or society at large are maximised.

²³ These third parties are those that are not directly involved in the business's activities or related transactions.

environment principles in Schedule 2 of the Act.²⁴ This requires that subsidies do not relieve the beneficiary from their liabilities as a polluter under the law.

- 3.25. An example of a positive externality is a business providing in-house or external training to its employees. While the training is likely to benefit the business itself, it may also have positive effects on the economy because the employees can gain knowledge that they may take with them to other businesses or organisations in the future. Training can also increase the broader level of knowledge in society, collectively giving the workforce additional capability to be more productive. Because a business does not reap all the benefits of providing this training, it will undertake less of this activity than is desired by wider society. Although the business behaves perfectly rationally, this is an inefficient outcome for society. A public authority may be able to make society collectively better off by intervening, for instance by using subsidies, to support the business to provide more training.
- 3.26. Public authorities can establish whether externalities may be present by considering the following questions:
- Are there positive effects of an economic activity on a third party or wider society?
 - Where there are positive effects, do the third parties insufficiently compensate the business for the enjoyment of the positive effects?
 - Where there are negative effects, are the third parties less than fully compensated by the business?
 - Where there are positive effects, is there an insufficient level of the relevant economic activity or an undersupply of the products or services involved?
 - Where there are negative effects, is there too much of the relevant economic activity, an oversupply of the products or services involved, or too little investment in preventing negative effects stemming from these?

Public goods

- 3.27. A public good is a product or service possessing two abstract features.²⁵ Firstly, one person's consumption or enjoyment of the good or service will not diminish or deplete the amount of it available to others. Secondly, it is difficult to prevent people from accessing or enjoying the benefits of the good or service. Examples of public goods include cultural heritage, public parks, street lighting, and national defence. The market will tend to undersupply

²⁴ See [Chapter 4](#)

²⁵ The economic definition of a public good should not be confused with whether a good is simply provided by a public body.

public goods. Where they are provided by private businesses, subsidies can be effective interventions to ensure they are supplied efficiently.

- 3.28. An example of this is certain forms of research and development (R&D). It may be difficult for an individual business to exclude other businesses or wider society from capturing some of the benefits of their privately funded R&D activity. As a result, the business may invest less in R&D than it would otherwise. Underinvestment is likely to be particularly pronounced for fundamental research – that is, research of an experimental or theoretical nature with no direct practical application or use in view. Fundamental research can increase the overall level of knowledge in society and may spur innovation in other businesses and sectors but may not provide sufficient commercial benefits to incentivise an individual business to undertake it. Therefore, intervention by public authorities through subsidies can incentivise businesses to provide more of this public good to make everyone better off.
- 3.29. Public authorities can establish whether a product or service has the characteristics of a public good, and therefore may benefit from intervention through a subsidy, by considering the following questions:
- Does the use of the product or service by one party still allow access of a benefit by other parties without reducing its availability?
 - Can people and businesses be prevented from accessing or benefitting from the product or service (e.g., through intellectual property rights)? If so, do these third parties pay no, or insufficient, compensation to be able to enjoy the benefits?
 - Is there undersupply of the public good in the absence of a subsidy?

Asymmetric or imperfect information

- 3.30. When one party involved in a transaction has markedly better information or when all parties to a transaction do not have sufficient information, then beneficial transactions do not go ahead – or they do so on inferior terms.
- 3.31. For example, there can be information asymmetry involved in lending to small businesses that can justify subsidies in the form of loans or loan guarantees. Banks may focus on the financial statements and collateral of a business to assess their credit worthiness, rather than carrying out a more thorough but costly assessment of the business's viability. This can present market failures where new businesses cannot obtain finance from traditional lenders to grow their business, even though they are economically viable and potentially fast growing.

3.32. Public authorities can establish the presence of asymmetry or imperfect information by considering the following questions:

- Does one or more market participant have different information to another?
- Is there genuine information asymmetry between relevant market participants rather than just different assessments of the available information (which may, for instance, simply stem from different risk appetites)? Alternatively, is there a lack of information that can reasonably be obtained by all relevant market participants?
- Does the asymmetry or lack of information hinder market participants in making transactions that are beneficial for society?

Assessing market failure

3.33. Public authorities should establish the existence of a market failure as outlined above, assess its significance, and demonstrate how the subsidy will remedy it.

3.34. Evidence that a project or activity would not go ahead in the absence of subsidies is not necessarily a sign of market failure – in fact, it may show that a market is working well, and that the activity would not be an efficient use of resources. Public authorities need to also identify why the subsidy leads to a more beneficial outcome for society as a whole. Furthermore, the identification of a market failure does not in itself justify using a subsidy. As discussed later in this step, there may be other, more suitable ways of addressing that market failure.

Equity objectives

What is an equity objective?

3.35. In the absence of market failure, market forces tend to bring about efficient outcomes, but they can also lead to unequal or unfair outcomes. Equity objectives seek to reduce these disparities between different groups in society or geographic areas. That is, equity objectives do not aim to achieve a more efficient outcome, but instead aim to redistribute the benefits of economic activity between different groups or areas. Examples include subsidies targeted at:

- Reducing social or economic disadvantage;
- Promoting employment of disadvantaged or disabled workers;
- Extending access to cultural or educational amenities; and
- Rescuing and restructuring businesses to prevent serious social difficulties arising from the closure of a large employer. Please note that

rescue and restructuring subsidies are subject to more specific requirements in the Act²⁶.

Assessing equity objectives

- 3.36. The first step to establishing a social equity objective is to identify inequality. Public authorities should use supporting evidence which demonstrates unequal opportunities or outcomes between different groups or areas within the UK. This should include measures or statistical indicators set against appropriate comparators (such as regional or national averages).
- 3.37. The public authority should then identify how a subsidy could remedy this inequality. Public authorities may draw on the information used to underpin the 'case for intervention' in their business case for the subsidy or scheme to demonstrate how the subsidy would contribute to the equity objective.²⁷
- 3.38. Finally, the public authority should satisfy itself that it is socially desirable to address the inequality, as not all unequal situations are inequitable. For example, a smaller proportion of 80-year-olds are in work compared to 30-year-olds: it does not follow that a public authority should subsidise employers to hire 80-year-olds.
- 3.39. Equity objectives must be aimed at addressing inequality in the opportunities and outcomes of people within the UK, rather than on equalising other measures which are unrelated or indirectly related to wellbeing. For example, it is not an equity objective to seek to equalise returns to capital investment in different regions of the UK unless the public authority can make the direct link to the wellbeing of people in disadvantaged regions. Similarly, it is not an equity objective to equalise the numbers of qualified shipbuilding engineers in coastal and non-coastal areas – but it may be an equity objective to increase the number of qualified engineers (of any sort) where that is linked to providing more career opportunities for people in disadvantaged areas.

²⁶ Please refer to [Chapter 5](#) for further guidance on the requirements applicable to rescue and restructuring support.

²⁷ The 'case for intervention' is a description of the steps by which the subsidy should in theory impact the behaviour of the recipient, and eventual the policy objective. See Central Government Project Business Case guidance for a more in-depth explanation of a 'case for intervention':

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf

Is the subsidy an appropriate tool?

- 3.40. Once the policy objective has been identified, public authorities must determine whether a subsidy is the best means for achieving the chosen policy objective.
- 3.41. As part of this, there should be consideration of other ways of addressing the market failure or equity issue. There may be more appropriate tools available to the public authority, such as regulation, direct provision of the good or service by the authority, or loans or equity investment on commercial terms. Use of alternative levers may have a lower cost impact on the public authority, bring about less distortion, lead to a fairer outcome, or more effectively achieve the specified policy objective.
- 3.42. In order to comply with Principle E, public authorities should address the following questions:
- Why is the subsidy route the most appropriate instrument for addressing the identified policy objective?
 - What other means have been considered and why are they not appropriate for supporting the identified policy objective?

Assessment Framework Step 2: Ensuring that the subsidy is designed to create the right incentives for the beneficiary and bring about a change

- 3.43. Subsidy Control Principle C states that subsidies should be designed in a way that leads to a change in the economic behaviour of the beneficiary. Taken together with Principle D, this requires that subsidies bring about a change over and above what would occur anyway.
- 3.44. First, public authorities should undertake an assessment of what would happen in the absence of the subsidy, i.e., determine the baseline for assessing change.²⁸ Second, public authorities should assess whether the subsidy creates the right incentives for the recipient and brings about the desired change to achieve the policy objective.
- 3.45. For their analysis, public authorities will often have to rely on information provided by the prospective recipient(s) and third parties. Some recipients and

²⁸ Future developments can be difficult to assess not only by public authorities but also by recipients and other market participants. Nevertheless, the assessment should establish the most likely future scenario in the absence of the subsidy.

third parties may have an incentive to provide information on the current situation or future developments that would make a subsidy appear more or less favourable. In light of this, public authorities are advised to consider gathering evidence from a range of different stakeholders, consider the information they have obtained in the round, and decide what weight to place on the different pieces of evidence in their assessment.

The baseline for assessing change

- 3.46. Public authorities should consider what would happen in the absence of the subsidy, the ‘do nothing’ scenario. The baseline for this comparison would not necessarily be the current ‘as is’ situation (the ‘status quo’), but what would likely happen in the future – over both the short and long term – if no subsidy were awarded now. In determining the ‘do nothing’ position, public authorities may find it helpful to refer to detailed guidance on the use of ‘counterfactual analysis’.²⁹ There will be cases where, without intervention, negative impacts are likely to occur in the future and subsidies may be needed simply to maintain the status quo.
- 3.47. For instance, in order to establish what the appropriate baseline for assessing change is, public authorities are expected to gather evidence on the most likely future development in markets such as:
- positive or negative impacts on recipients or competitors in the absence of the subsidy;
 - fast-moving technological or commercial developments;
 - changes in the set of competitors, for instance through exit, entry, or expansion (public authorities assessing SSol or SSoPI should see [Annex 2](#) for a methodology to identify competitors); or
 - growth or decline of a market.
- 3.48. The results of this assessment may be that the baseline for assessing change is different from the situation at the time of the assessment and, as a consequence, the subsidy may create stronger or weaker incentives to bring about a change. For example, in an industry that is undergoing a period of consolidation and a decreasing number of businesses in the market, the competitive constraints that the beneficiary faces may change in the future, and the subsidy may not create the right incentives to bring about the desired change in that competitive environment. Furthermore, in most cases, it is

²⁹ For further information, see <https://www.gov.uk/government/publications/rpc-case-histories-counterfactuals-september-2020--2>

reasonable to assume that recipients and competitors will continue making investments in improvements, innovations, or new products.

Additionality

3.49. Most subsidies will bring about a change in the economic decisions of the beneficiary to some extent. It is important for the public authority to establish that the intended change in behaviour supports the specific policy objective being pursued. To demonstrate how the subsidy will influence the economic behaviour of the beneficiary, public authorities should address the following questions:

- How will the subsidy influence the beneficiary to take one course of action over another?
- How will that change in behaviour contribute to the specific policy objective?

3.50. Subsidies must also bring about something that would not have occurred without the subsidy. In demonstrating this, public authorities should consider the likely change or additional net benefit stemming from the subsidy. Examples of when changes or additional benefits might arise include:

- A project or activity being carried out, which would have otherwise not gone ahead (or at least not in a way that benefited a certain group of people or a specific geographical area);
- A measurable improvement in the quality of the output or outcomes;
- An increase in the scale or scope of a project or activity, for instance in order to extend the geographic area or number of groups benefiting from it; or
- A project or activity occurring at a significantly earlier point than it would have otherwise. A public authority must be satisfied that there are justifiable public policy benefits to using a subsidy to bring forward a project that would have happened without a subsidy.

3.51. As a result of the 'additionality'³⁰ requirement, subsidies should not be used to finance a project or activity that the beneficiary would have undertaken in a similar form, manner, and timeframe without the subsidy. For instance, a project that has already been started by a potential beneficiary would likely struggle to meet this requirement and therefore should not be subsidised.

³⁰ i.e., the additional benefits, such as those listed above, that wouldn't have otherwise happened in the absence of the subsidy.

- 3.52. Similarly, subsidies should not normally compensate for ‘business as usual’ costs – in other words, those costs that the beneficiary would have incurred and had to fund itself in the absence of any subsidy. This means that public authorities should generally avoid using subsidies to cover the ongoing costs related to the normal day-to-day of running of the business, facility, or project such as rents, transport costs, and personnel costs.
- 3.53. There are circumstances where the funding of day-to-day expenditure can be justified where that expenditure is directly linked to the subsidy’s policy objective. For instance, a subsidy used to increase the wages of disadvantaged workers would fund day-to-day expenditure (i.e., wages) but could be justified if incentivising hiring is necessary to achieve the specific policy objective of increasing the employment rates of disadvantaged workers. In the rare situations where the specific policy objective is met directly by keeping an enterprise in the market (including, but not limited to, rescue and restructure subsidies – see [Chapter 5](#)), the funding of day-to-day expenditure can be justified.

Additionality for schemes

- 3.54. It will sometimes not be possible for the public authority to determine in advance whether the scheme will bring about a change in the behaviour of each and every potential beneficiary. This does not necessarily mean that the scheme is inconsistent with the principles.
- 3.55. To ensure consistency with the principles, public authorities must, where possible and reasonable, ‘design out’ non-additionality amongst potential beneficiaries. In other words, public authorities must exclude any groups or sub-populations of beneficiaries where it can be reasonably determined in advance that there is unlikely to be additionality. This could occur by building in appropriate criteria or checks into the scheme design in a way that is commensurate with the size of the subsidies being given. Higher value schemes should put more resource into both assessing additionality and excluding sub-groups of non-additionality.
- 3.56. In general, public authorities should seek to design schemes that they expect to bring about additionality in a high proportion of beneficiaries. Where the scheme is not expected to bring about a change in behaviour in a high proportion of beneficiaries, and the public authority is not reasonably able to ‘design out’ the non-additionality, then this should be factored into the balancing exercise in Step 4: only the ‘additional’ benefits should be considered, but the negative effects resulting from the entire scheme must be taken into account.

Assessing additionality

3.57. To determine the cost of the activity and benefits to the beneficiary, public authorities should use information provided by the beneficiary and publicly available sources of data. Where data is available, and it is commensurate to do so, public authorities should consider using cost modelling to support their assessment of this 'additionality' requirement. The following questions should be considered:

- What are the types of costs the subsidy will be used to support?
- Why is the targeted project or activity and the associated costs not considered as 'business as usual'?
- Would the subsidy be needed by the beneficiary to maintain their market share or meet a legal or contractual obligation now or in the future? If the answer is 'yes', it is likely that the project or activity would be undertaken regardless of the subsidy.
- What would the likely outcomes be with and without the subsidy over the short- and long-term?

Assessment Framework Step 3: Considering the distortive impacts that the subsidy may have and keeping them as low as possible

3.58. Competition between enterprises creates incentives to cut prices, increase output, improve quality, enhance efficiency, or introduce new products or services in order to gain a competitive advantage. This in turn influences enterprises' investment decisions as they direct resources towards improving their offer of products and services.

3.59. Well-designed subsidies can help correct or ameliorate market failures as well as social equity issues. They do this through changing the behaviour and operations of the beneficiary, for instance regarding what to produce, the way in which to produce it, and at what price and level of output. However, they can give rise to adverse effects on competition and investment in the UK, and international trade and investment, which may prevent markets from delivering efficient outcomes which ultimately benefit consumers. Subsidies can distort markets by:

- Allowing less efficient recipients to remain in the market, when they would otherwise have gone out of business;

- Failing to reward competitors to the subsidy recipient that are more innovative or more efficient (and would have produced better or cheaper goods and services for their customers);
- Reducing beneficiaries' and their competitors' incentives to innovate and to invest;
- Shifting the location of economic activity from one place to another, affecting the local economy and employment rates, and wasting resources on the process of relocating;
- For particularly large subsidies, creating or strengthening the market power of the recipient and allowing it to command higher prices without increasing the quality of goods or services; or
- Creating knock-on effects on the recipient's customers and suppliers in their own markets.

3.60. Principle F requires the public authority to minimise any negative effects on competition and investment within the UK. In other words, the public authority should be satisfied and show that any negative effects on competition and investment within the UK cannot be further reduced without harming the ability to meet the stated policy objective. In order to comply with this obligation, public authorities should examine the characteristics of the subsidy and whether these can be redesigned to further reduce the impacts of the subsidy on the affected market(s) and still achieve the policy objective. In considering the size of the subsidy, public authorities must also design subsidies to be proportionate to their specific policy objective and limited to what is necessary to achieve it so as to comply with Principle B.

3.61. As part of this process, it may also be helpful for public authorities to consider the impacts on international trade and investment. This will assist public authorities in carrying out the balancing exercise in step 4 of the assessment framework. Any excessive distortion to international trade and investment will make it difficult for the public authority to justify a judgement that the beneficial effects of the subsidy outweigh the negative and therefore comply with Principle G.

The characteristics of the subsidy

3.62. Certain features and characteristics can make a subsidy more likely to have distortive impacts on competition or investment within the UK, or on international trade or investment. It is important to identify where these features are present and consider whether it would be possible to alter or offset them to reduce the levels of distortion they might cause.

- 3.63. The following sections explore each of the main subsidy characteristics in turn. The public authority should systematically review each of the relevant characteristics of the proposed subsidy which could increase the probability of the subsidy causing distortion and consider whether the subsidy could be redesigned to minimise the impact of distortive characteristics and thus the extent of distortion, whilst still meeting the policy objective. In doing so, it is worth noting that all subsidies are distortive, by definition, and it may not be possible to design a subsidy without some of the characteristics listed. The features set out below should therefore be considered in the round.
- 3.64. This should be done in a way which is commensurate with the size and potential distortiveness of the subsidy. Although design features of a subsidy should not be discounted simply because of the cost or burden to the public authority, it is not necessary to ensure a subsidy or scheme has every one of the distortion-minimising characteristics set out below, where that would only lead to a negligible reduction in potential distortion. Similarly, if the expense or administrative burden of implementing a particular feature would be sufficient to prevent the subsidy being given at all, there is no obligation to introduce it.
- 3.65. There should be more thorough consideration of other options if the subsidy is more likely to lead to substantial distortion, such as those meeting the criteria for SSol or SSoPI. [Annex 2](#) provides in-depth assessment methods for public authorities awarding SSol or SSoPI to help them consider the distortive impacts that the subsidy may have and keeping them as low as possible. Public authorities awarding SSol or SSoPI should consider both the following sub-sections and Annex 2 when considering this step in the framework.

The nature of the instrument

- 3.66. As set out in [Chapter 2](#), subsidies can be given in many different forms, including grants, loans, equity investment, loan guarantees, tax breaks, and the provision of products or services at below-market prices. Some forms are less likely to distort competition and investment in the UK and international trade and investment than others. For instance, a loan typically leads to less distortion than a grant as it will ultimately need to be paid back by the beneficiary. Furthermore, a loan provided at close to commercial interest rates is, all other things being equal, less distortive than a loan at a lower interest rate.
- 3.67. As a general rule, where a public authority is acting in a way more comparable to that of a rational private operator on the market (i.e., closer to

the Commercial Market Operator principle), the beneficiary is likely to derive a smaller economic advantage, and the subsidy is likely to be less distortive.³¹

3.68. Public authorities should consider the following question:

- could a less distortive form of instrument be deployed whilst still meeting the identified policy objective?

The breadth of beneficiaries and the selection process

3.69. Subsidies that are available to a broad set of recipients are less likely to distort than subsidies that are only made available to a single enterprise. Public authorities should consider whether a subsidy could be opened up to other market participants. For example, a subsidy to promote entrepreneurship that is made available to all small businesses in a specific area is likely to be less distortive than a subsidy given to one or two small businesses.

3.70. There may also be instances where it is appropriate for the awarding process for a subsidy to involve an element of competition between potential recipients. For instance, the public authority could select recipients on the basis of which enterprise(s) can demonstrate that they would best meet the policy objective. The best placed enterprises may be identified by asking recipients to bid to win the subsidy and select the recipient(s) that require the smallest subsidy to achieve the policy objective. A competitive allocation process for a subsidy thereby may also help public authorities to meet Principle B.

3.71. When subsidies cannot be made available to a broad set of recipients or made available through a competitive process, public authorities should consider other mechanisms which introduce an element of competition, such as setting objective criteria, making the selection process transparent, or carrying out preliminary discussions with multiple potential beneficiaries.

3.72. Public authorities should consider the following questions:

- could the subsidy be made available to other competitors?
- could firms compete to win the award of the subsidy?

³¹ Section 3(2) of the Act confirms that financial assistance, such as a state loan or investment, given on terms that might reasonably have been expected to have been available on the market to the enterprise does not meet the definition of a subsidy. Please see the "[What is economic activity?](#)" section of Annex 1 for further guidance on the circumstances in which a public authority will be considered to be acting in a way more comparable to a rational private operator.

The size of the subsidy

- 3.73. Smaller subsidies are less likely to distort competition and investment within the UK and international trade and investment. As an initial starting point, public authorities will want to compare the size of the subsidy to the key thresholds in the subsidy control regime: a subsidy below £100,000 is very small (and need not be uploaded to the transparency database) while a subsidy above £10m is very large (and needs to be referred to the Subsidy Advice Unit).
- 3.74. Public authorities should consider the size of a subsidy in absolute terms as well as relative to the size of the recipient, the costs on the beneficiary, or the value of the market(s) of the affected products or services. For example, while a £1m grant may have a significant bearing on the decisions of a small or medium-sized enterprise, it is likely to have a smaller influence on the behaviour of a multinational enterprise. Similarly, the size of the subsidy should be considered against the investment costs it would be offsetting. Higher intervention rates (for example, more than 70% of project costs) are more likely to distort competition and investment within the UK, and international trade and investment.
- 3.75. In line with Principle B, public authorities should design subsidies to be proportionate to their specific policy objective and limited to what is necessary to achieve it. Where data is available and it is commensurate to do so, public authorities should use cost modelling to determine the appropriate, proportionate size of the subsidy. A subsidy is proportionate when it is just large enough to achieve the required change in behaviour (see assessment framework step 2). This change in behaviour will have a cost to the recipient, but there will often be a narrow benefit to the recipient in terms of decreased long-term costs, increased sales, or both.
- 3.76. In order to ensure that every subsidy within it is proportionate, a scheme's terms should typically include a cap on the maximum amount awardable to a single recipient. This may be an absolute value or a maximum proportion of project costs to be funded by the scheme (with the rest to be met by the beneficiary or private investors). In many cases, it will be appropriate to specify caps on both absolute value and proportion of costs.
- 3.77. Public authorities should consider other subsidies given to the same recipients for similar purposes as part of Step 3 of the principles assessment. For standalone subsidies, this will usually be straightforward: the public authority should ask the beneficiary whether they have already received (or expect to receive) another subsidy for a similar purpose. If the public authority has determined that £1 million would be a proportionate size of subsidy in the

absence of any others, then it would be, by definition, too large if the beneficiary had already received some funding from another public authority.

3.78. In the case of schemes, the rules of the scheme will need to be developed to take into account other possible subsidies. This includes not only subsidies that have already been given at the point the scheme is made, but also those that could be given in the time period between the scheme being made and the subsidies under it being given. These subsidies could be given to the same recipients, for similar purposes, as other standalone subsidies or through other schemes (including Streamlined Routes). As such, it is likely to be appropriate to make provision in the scheme rules to manage this: for example, by asking recipients to confirm they have not already received a similar subsidy as the one given under the scheme, or by putting a cap on the total value of similar subsidies a recipient can receive over a certain time period in order to be eligible to receive subsidies under the scheme.

3.79. Public authorities should consider the following question:

- could the size of the subsidy be decreased?

The timespan over which a subsidy is given

3.80. Time-limited and one-off subsidies are likely to lead to less distortion. The timespan of the subsidy and investment can provide an indication of the longevity of any effect on the market. Where appropriate, public authorities should design subsidies that are time-limited, and payment schedules should be linked to performance criteria such as the achievement of specific milestones of a project (see the performance criteria subsection below). Public authorities should consider this feature in combination with the cost being covered by the subsidy (see the nature of the costs subsection below) as funding of different costs may have different effects on the timespan of funding.

3.81. Providing recurring subsidies over a period of time compared to a single, limited award is likely to have a greater distortive impact, including on firms' entry and exit decisions. First, recurring and open-ended subsidies increase the risk of projects or activities continuing even after they have become uneconomic or obsolete (see the nature of the costs subsection below) and incentivise recipients to request further funding to continue a project or desired activity. Second, potential entrants could be deterred from entering the market if they have to compete with incumbents that are expected to receive further subsidies. Recurring subsidies could also prevent efficient rationalisation - a firm may remain in a market when this is no longer the best

option for it either because it has committed to as part of a subsidy programme or because it has reason to expect future subsidies.

- 3.82. Schemes should be established to run over a clearly defined period of time. A scheme without an end date is not likely to be proportionate and limited to what is necessary to achieve its policy objective. However, the public authority may choose to relaunch the same or a similar scheme, having carried out a new assessment.
- 3.83. Public authorities should consider the following question:
- could the subsidy be made a one-off or time-limited contribution?

The nature of the costs being covered

- 3.84. Consideration should be given to how the subsidy will affect the beneficiary's costs. One-off subsidies which support the funding of an initial investment or the set-up costs of a project tend to be less distortive so long as they do not create barriers to entry or give a substantial advantage to the recipient. As discussed in step 2, ongoing subsidies which cover a beneficiary's 'day-to-day' costs, in particular those which vary with output, are more likely to impact competition and investment in the UK and international trade and investment. Funding only initial investments or set-up costs also reduces the risk that a project or activity continues to be funded even if it has become obsolete or ineffective during the project's lifetime. Further detailed guidance on identifying the cost impact of the subsidy (which will mostly be relevant for SSols and SSoPIs) is provided in [Annex 2](#).
- 3.85. Public authorities should consider the following question:
- could the subsidy offset the initial investment of a project or activity as opposed to supporting the ongoing costs?

Performance criteria

- 3.86. The design of a subsidy may be improved by the inclusion of clear performance indicators in the agreement. These will help to ensure that the assistance is being best used to achieve the specified policy objective. Careful consideration will need to be given to the outcomes the beneficiary will be assessed against. Where appropriate and commensurate, it may be helpful for the subsidy agreement to set out:
- The performance criteria;
 - How the necessary information will be obtained;
 - Who will conduct the performance evaluation and at which points;

- Dispute mechanisms, including any appropriate clawback provisions³²; and
- the consequences for the beneficiary where it does not meet or falls short of the performance criteria. This could include conditions where later tranches of funding are only released if and when certain standards or outcomes have been exceeded, and recovery of tranches of funding where these have not been met.

3.87. Public authorities should consider the following question:

- could performance criteria and a payment schedule linked to achievement of specific milestones be incorporated into the subsidy agreement?

Ringfencing

3.88. In their considerations on how to best target a subsidy, public authorities should also consider whether conditions could be imposed on beneficiaries that limit which activities or projects the subsidy can be used for. Among other things, this can help prevent funds being used to cross-subsidise other areas of the beneficiary's business.

3.89. Public authorities should consider the following question:

- is it feasible to ringfence the subsidy to ensure that funds are only spent on activities which contribute to the policy objective?

Monitoring and evaluation

3.90. Public authorities should consider building in periodic reviews of any longer term or ongoing subsidies where it is commensurate and appropriate to do so, as well as including relevant conditions covering the use and recovery of the subsidy. This will assist with evaluating whether the subsidy is meeting the policy objective as well as identifying any distortions to competition and investment in the UK and to international trade and investment. Depending on the nature of the subsidy, these reviews could include an evaluation of:

- Progress against the stated policy objective and whether interim objectives have been met;
- Whether any new and overlapping subsidies have since been introduced which address the same policy objective;
- Whether the market failure or equity issue still exists (or is sufficiently significant) and planned future subsidies are still required;

³² See also [Chapter 13](#) for discussion of misuse of subsidies

- Any negative outcomes stemming from the subsidy, including on competition and investment in the UK and international trade and investment; and
- Whether the subsidy should be altered going forward, phased out, or halted.

3.91. The UK Government provides detailed guidance on evaluation methods which may be of interest to other public authorities.³³

3.92. Public authorities should consider the following question:

- could monitoring and evaluation be embedded into the conditions of the subsidy?

Subsidy races

3.93. In addition to the above, public authorities should have regard to the risk of 'subsidy races' or bidding wars where two or more public authorities are vying for new investments. Public authorities should be cautious about subsidy races occurring, as these may lead to a displacement of investment away from locations where the public benefits are the greatest, and may incentivise firms to use their leverage to secure larger subsidies than would have been possible had public authorities not been bidding against each other to secure the investment. This would also risk the subsidy not complying with Principle B, which states that a subsidy must be proportionate and limited to what is necessary.

3.94. Public authorities should assess whether another public authority is offering a subsidy for the same or similar investment where the beneficiary cannot accept both offers. When that is the case there is a greater risk of a subsidy race occurring. In such cases, public authorities should:

- Carry out more extensive analysis of both the positive and negative impacts of the subsidy (looking at the counterfactual of where the investment would be located in the absence of any subsidy);
- Consider whether competing offers from different parts of the UK have increased the size of the subsidy on offer from what it originally would have been, and whether the subsidy can still be justified as being proportionate;
- Consider the relative levels of disadvantage of the areas in question. Subsidies which may result in a shift in economic activity from a less disadvantaged area to a more disadvantaged one, and which could lead to

³³ <http://www.gov.uk/government/publications/the-magenta-book>
www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government

an increase in economic output for the UK as a whole, will be easier to justify against Principle G (the “balancing exercise”). If the subsidy in question is conditional on changing the location of economic activity already being carried out in the UK (as opposed to the location of new investment), the public authority should also refer to the guidance on the prohibition on relocation subsidies and the exemptions to that prohibition; (see [Chapter 5](#)) and

- Consider referring the subsidy to the SAU if the subsidy meets the criteria for a SSol (see [Chapter 11](#)).

Assessment Framework Step 4: Carrying out the balancing exercise

- 3.95. By following the framework up to this stage, public authorities will have designed a subsidy that is consistent with Principles A, B, C, D, E and F, and will have established the likely benefits and negative impacts of the subsidy.
- 3.96. The final step of the framework consists, therefore, of a balancing exercise, where the public authority must establish that the benefits of the subsidy (in relation to the specific policy objective) outweigh the negative effects.
- 3.97. The balancing exercise should involve the public authority listing the subsidy’s expected benefits (as they relate to the specific policy objective) and negative effects, considering their expected size and their likelihood of occurring. The public authority must then come to a decision, based on the evidence available to it, as to whether the benefits outweigh the negative effects and therefore whether it is still worth proceeding with the subsidy despite the residual distortions and other negative effects.
- 3.98. It will not always be possible to quantify every element of the assessment, and therefore the balancing exercise may need to include both quantitative and qualitative elements. Therefore, an element of judgement is necessary in deciding whether the benefits outweigh negative effects. In general, the more distortive a subsidy is likely to be (especially if it is an SSol or an SSoPI) and the more finely balanced the decision (i.e., if the negative effects seem to be very close to the benefits), the more a public authority should endeavour to quantify as many costs and benefits as is reasonably possible.
- 3.99. The benefits considered in the balancing exercise must be only those that relate to the specific public policy objectives identified in the first step of this framework, for the purpose of Principle A. As set out, there may be more than one specific policy objective, each relating to a market failure or equity

rationale. Wider benefits that do not relate to a market failure or equity rationale must not be taken into account for the purpose of the balancing exercise.

- 3.100. The harms included in the balancing exercise should include all relevant negative effects. These include, in particular, those relating to competition and investment within the UK, and to international trade and investment. However, other relevant effects must also be taken into account, including negative impacts on climate change and carbon emissions if these are relevant³⁴. Furthermore, public authorities should examine whether the subsidy will have adverse effects for a particular group or geographical area. This is discussed in more detail in the subsection below.

Geographical and distributional impacts

- 3.101. Subsidies often have geographical and distributional impacts. Distributional impacts can occur as a direct consequence of pursuing the policy objective, leading to one group being advantaged over another. For example, a scheme to subsidise youth employment could make it less likely that new jobs will be offered to older unemployed workers. Subsidies also often have geographical impacts. A subsidy designed to encourage growth or attract new investment into a disadvantaged area may impact the likelihood of investment in other disadvantaged areas. Public authorities should take these kinds of impacts into account before proceeding.
- 3.102. Subsidies are commonly targeted at particular geographic areas, or sectors within particular areas, to improve regional economic development. Public authorities should consider the geographic spread or concentration of the industry within the UK even where this is outside their own geographic area of responsibility.
- 3.103. Public authorities should be aware that subsidies that require the beneficiary to relocate its activities are prohibited except where these subsidies aim to reduce social or economic disadvantage. For more information see [Chapter 5](#).

³⁴ The UK Government has produced guidance on valuing energy usage and greenhouse gas emissions. www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal

4.

Chapter 4: Energy and Environment Principles

Overview of chapter

- 4.1. Subsidies and schemes in relation to energy or the environment must be assessed against the relevant further energy and environment (E&E) principles of Schedule 2 of the Act, as well as being assessed against the subsidy control principles of Schedule 1. Principles A and B of Schedule 2 are applicable to all energy and environment subsidies; all other principles in Schedule 2 apply only to specific kinds of subsidies, or subsidy schemes.
- 4.2. These limited additional principles are an important means of complying with the UK's international obligations in this area, specifically under the Trade and Cooperation Agreement with the European Union, and support the UK's commitment to achieve net zero by 2050.

Scope

- 4.3. The E&E principles apply only to those granted in relation to energy and the environment – that is, where the subsidy's specific policy objective (or one of its objectives) relates to energy or the environment.
- 4.4. Examples of subsidies that must be considered in line with the E&E principles include subsidies to:
 - encourage innovation in renewable energy production;
 - improve energy efficiency of an energy-intensive industry;
 - increase plant diversity on agricultural land; and
 - improve recycling among small businesses.
- 4.5. Subsidies may have more than one specific policy objective, and they should be considered to be in scope of the E&E principles if one or more of the objectives of the subsidy is in relation to energy and environment. For example, a scheme may have two policy objectives; to encourage the regeneration of high street shops and cafés and, secondly, to incentivise

increased energy efficiency of the refurbished shops and cafes. This scheme would be in scope of the E&E principles because at least one of the policy objectives relates to energy.

- 4.6. However, public authorities giving subsidies that have incidental benefits in relation to energy or the environment, that are not related to the policy objective of the subsidy, need not consider the principles in Schedule 2. Principle G of the subsidy control principles ([Step 4](#)) requires public authorities to assess the beneficial effects of the subsidy (in relation to the specified policy objective) and ensure they outweigh any negative effects.
- 4.7. Not all subsidies given to beneficiaries operating in the energy or environment sectors will need to take these principles into account. The scope of the E&E principles is not determined by the sector that the beneficiary is primarily based in.
- 4.8. The E&E principles do not apply to nuclear energy subsidy awards or subsidy schemes. Public authorities granting nuclear energy subsidies must consider them against the subsidy control principles.
- 4.9. Only the first two E&E principles apply to all subsidies in relation to energy and environment. The subsequent principles apply to specific types of subsidy, as set out in the principles themselves. A summary of the scope of the different principles is as follows:

Principle	Scope
A	All subsidies in relation to energy & environment
B	All subsidies in relation to energy & environment
C	Subsidies for electricity generation adequacy, renewable energy or cogeneration
D	Subsidies for electricity generation adequacy
E	Subsidies for renewable energy or cogeneration
F	Subsidies in the form of partial exemptions from energy-related taxes and levies
G	Subsidies that compensate electricity-intensive users for increases in electricity costs

H	Subsidies for decarbonisation of industrial emissions
I	Subsidies for improving energy efficiency of industrial activities

Application of the subsidy control principles in Schedule 1

- 4.10. The subsidy control principles continue to apply to subsidies in relation to energy and environment. A subsidy that is not consistent with those principles must not be given, regardless of whether it is consistent with the E&E principles.
- 4.11. As set out above, the E&E principles apply to subsidies and schemes where their specific policy objective is in relation energy or the environment. This specific policy objective must be one identified in the assessment of Principle A of the subsidy control principles (through Step 1 of the assessment framework). As described in Chapter 3, subsidies and schemes may have multiple specific policy objectives – the E&E principles apply if at least one is in relation to energy or the environment.
- 4.12. The subsidy control principles also require energy and environment impacts – including potential impacts on the UK’s net zero commitment and other UK climate commitments as relevant – to be taken into account for all subsidies. Principle G in Schedule 1, the ‘balancing exercise, requires all relevant negative effects to be weighed up against the benefits of the subsidy (in relation to the specified policy objective). The existence of relevant effects regarding energy or environment costs does not necessarily mean that the E&E principles apply.
- 4.13. However, the energy or environment benefits cannot be considered in Principle G unless they have been identified in the specific policy objective in Principle A (see [Chapter 3](#)). Therefore, if a public authority is considering the energy or environment benefits as part of the ‘balancing exercise’, it follows that the E&E principles must apply.
- 4.14. For example, a subsidy to increase employment of disadvantaged workers in gardening and waste management may be explicitly targeted at both an environmental and a non-environmental objective. Environmental improvement would be an objective under Principle A of the subsidy control principles and the anticipated benefits would be taken into account under Principle G of the subsidy control principles. The E&E principles would apply.

Carrying out an assessment

- 4.15. The Act requires public authorities to consider whether a subsidy or scheme in relation to the environment is consistent with these E&E principles. As with the subsidy control principles, this requires the public authority to carry out an assessment using an appropriate level of analysis before giving the subsidy or making the scheme. This assessment should look at the specified requirements and goals set out in the relevant E&E principles and ensure that the subsidy is designed in such a way as to meet them.
- 4.16. As with the subsidy control principles, public authorities should carry out an assessment that is proportionate to the potential harm of the subsidy or scheme in question. In determining how extensive the assessment should be, a public authority should consider the risk of harm to energy or to environmental objectives (as relevant), such as energy security, energy affordability, environmental protection and the UK's net zero commitment and other climate commitments.
- 4.17. The appropriate level of analysis will usually be similar to that carried out for any business case or impact assessment for the subsidy or scheme. The E&E principles do not require a public authority to consider any unusual analytical techniques. Existing relevant assessment tools can be used (for example, environmental impact assessment, natural capital assessment, and strategic environmental assessment).
- 4.18. The assessment required by the Act is solely forward looking. Where the principles require a specific outcome to be achieved, the assessment should consider whether the subsidy is designed to achieve the outcome and whether that outcome is likely to take place (as with any kind of prospective business case or impact assessment). Nonetheless, in some cases, it may be appropriate to use checkpoints and contingencies for future payments in the subsidy design, to ensure the subsidy is consistent with the E&E principles. It is also best practice to evaluate whether the intended outcomes have, in fact, been achieved and to use that to inform future subsidies.

Principle A – Aim of subsidies in relation to energy and environment

- 4.19. All subsidies in relation to energy and environment shall be aimed at and incentivise the beneficiary in:

- delivering a secure, affordable and sustainable energy system³⁵ and a well-functioning and competitive energy market; or
 - increasing the level of environmental protection compared to the level that would be achieved in the absence of the subsidy.
- 4.20. A public authority must be of the view that the subsidy is consistent with one of the two limbs, depending on whether it is in relation to energy or environment. If a subsidy is in relation to both energy and environment, it should meet both of these limbs.
- 4.21. If a subsidy is in relation to energy, public authorities will need to ensure that their objective is consistent with delivering a secure, affordable and sustainable energy system and a well-functioning and competitive energy market. Public authorities should take a balanced approach to the different aims set out in this principle: a subsidy may, for example, increase the price of energy by a small amount (i.e., reducing affordability) while leading to a large increase in sustainability, or vice versa, and remain consistent with this principle.
- 4.22. If a subsidy relates to the environment, public authorities should be clear that it increases the level of environmental protection compared to what would have happened otherwise.³⁶
- 4.23. The environment means the natural environment as defined in section 44 of the Environment Act 2021:
- plants, wild animals and other living organisms;
 - their habitats;
 - land (except building or other structures), air and water; or
 - the natural systems, cycles and processes through which they interact.
- 4.24. The Act does not define 'environmental protection' and public authorities may take any reasonable approach. It is useful to consider the definition of environmental protection set out in section 45 of the Environment Act 2021, which defines it as:
- protection of the natural environment from the effects of human activity;

³⁵ "Energy system" encompasses interactions between transmission and distribution systems, between onshore and offshore development, between gases (covering natural gas, biomethane and hydrogen), electricity and other emerging markets, such as CCUS, and between decarbonisation of energy sectors including power, heat, transport and industry.

³⁶ This could be true even if the level of environmental protection decreases over time, as long as it decreases by less than what would have happened in the absence of the subsidy. For more information on assessing the relevant 'baseline' to consider changes against, see [Chapter 3](#).

- protection of people from the effects of human activity on the natural environment;
 - maintenance, restoration or enhancement of the natural environment, or;
 - monitoring, assessing, considering or reporting on anything in the previous paragraphs.
- 4.25. Subsidies and schemes must be assessed against all the subsidy control principles. This includes making an assessment as to whether the subsidy's beneficial effects (in terms of achieving their specific policy objective) outweigh any negative effects. As part of this weighing up of beneficial versus negative effects, public authorities that are designing subsidies and schemes in relation to the environment must evidence, as part of their assessments, that those subsidies and schemes will have a beneficial effect of increasing environmental protection as opposed to a neutral or negative effect. Existing relevant assessment tools can be used (for example, environmental impact assessment or natural capital assessment or strategic environmental assessment).
- 4.26. Public authorities may find it useful to consult the UK Government's environmental principles policy statement³⁷ that outlines how to interpret and proportionally apply five internationally recognised environmental principles.
- 4.27. The E&E principles are in line with the UK's net zero commitment. Subsidies and schemes with a specific policy objective of promoting net zero will tend to be consistent with Principle A.
- 4.28. In addition to the subsidy control principles, all subsidies in relation to energy or the environment must be assessed against this principle.

Principle B – Subsidies not to relieve beneficiaries from liabilities as a polluter

- 4.29. Subsidies in relation to energy and environment shall not relieve the beneficiary from liabilities arising from its responsibilities as a polluter under the law of England and Wales, Scotland, or Northern Ireland.
- 4.30. This principle is known more generally as the "polluter pays" principle. The polluter pays principle means that the costs of pollution should be borne by those causing it, rather than the person who suffers the effects of the resulting environmental damage, or the wider community.

³⁷ <https://www.gov.uk/government/publications/environmental-principles-policy-statement>

- 4.31. The polluter pays principle serves several functions and may be used through different phases of policymaking. It can be used in the design of a policy (before the damage has occurred) to prevent or deter environmental damage. In cases where pollution cannot be avoided or is caused due to an accident, the polluter pays principle can be used to restore or redistribute the costs of environmental damage. Applying this principle helps to incentivise individuals or groups to avoid causing environmental damage and encourage sustainable practices.
- 4.32. Generally, a subsidy or a subsidy scheme must avoid relieving the beneficiary from the polluter pays principle either directly or indirectly; in the latter case by including, for example, an expectation that the public authority will pay for the costs of environmental damage caused by the beneficiary.
- 4.33. Public authorities giving subsidies in relation to energy and environment are advised to include a clear statement in the terms of the subsidy or scheme to the effect that receipt of the subsidy does not relieve the recipient from any liabilities arising from its responsibilities as a polluter under the relevant law of England and Wales, Scotland, and Northern Ireland.
- 4.34. Public Authorities may find it useful to consult the UK Government's environmental principles policy statement³⁸, which includes guidance on the application of the polluter pays principle.
- 4.35. All subsidies in relation to energy and environment must be assessed against this principle.

Principles C, D, E – Subsidies for electricity generation adequacy, renewable energy, or cogeneration

Principle C – Subsidies for electricity generation adequacy, renewable energy, or cogeneration

- 4.36. Under this principle and principle D, “subsidy for electricity generation adequacy” means a subsidy that provides an incentive for a capacity provider to be available in times of expected system stress.
- 4.37. Subsidies or subsidy schemes must not undermine the government's ability to meet its obligations under Article 304 of the TCA. This Article requires the UK to ensure that wholesale electricity and natural gas prices reflect actual supply and demand, and that, to this end the government shall ensure that the wholesale electricity and natural gas market rules will, in general terms, be

³⁸ <https://www.gov.uk/government/publications/environmental-principles-policy-statement>

transparent, encourage free price formation, and operate in an efficient and secure manner.

- 4.38. Subsidies must not, have the effect of introducing significant distortions, price controls, or significantly impede the transparent operation of the wholesale electricity and natural gas markets.
- 4.39. Subsidies shall not unnecessarily affect the efficient use of electricity interconnectors provided for under Article 311 of the TCA. This Article provides for the efficient and non-discriminatory use of electricity interconnectors between the UK and the European Union, by requiring (in general terms) both parties to manage electricity interconnectors in efficient, market-based, and transparent terms. It also provides for mechanisms to manage congestion and allocate capacity in such a way as to deliver robust and efficient outcomes.
- 4.40. Public authorities should consider carefully any impacts a subsidy for electricity generation adequacy, renewable energy and cogeneration may have on the UK's electricity interconnectors, and in particular on TCA Article 311 obligations.
- 4.41. There are limited circumstances in which it is acceptable for a subsidy to affect the efficient use of electricity interconnectors, including by (for example) ensuring continuity of electricity supply.
- 4.42. Subsidies for electricity generation adequacy, renewable energy or cogeneration shall be determined in a non-discriminatory, transparent and open manner, without unnecessarily excluding companies that may compete with projects to address the same environmental or energy objective. The selection process should lead to the selection of beneficiaries that can address the environmental or energy objectives using the least amount of subsidy or in the most cost-effective way.
- 4.43. These transparency requirements do not affect the provisions of Article 304(3) of the TCA. This article requires that any capacity mechanism in electricity markets is clearly defined, transparent, proportionate and non-discriminatory.
- 4.44. A non-competitive process may be used to determine a subsidy for renewable energy or cogeneration if appropriate measures are put in place to prevent overcompensation and:
- the potential market supply is insufficient to ensure a competitive process;
 - the eligible capacity is unlikely to have a material effect on competition and investment within the UK and international trade and investment; or

- the subsidy is given for a demonstration project.
- 4.45. Only energy and environment subsidies that are specifically designed to be granted for the purpose of electricity generation adequacy, renewable energy or cogeneration need to be assessed against principles C, D and E.

Principle D – Subsidies for electricity generation adequacy may be limited to installations not exceeding specified CO2 emission limits

- 4.46. Subsidies for electricity generation adequacy may include, under their terms, a requirement on the recipient that the subsidy not be used to directly benefit installations exceeding specified CO2 emissions limits.
- 4.47. Public authorities should ensure that CO2 emissions limitations of this kind are clearly laid out, either in the terms of the subsidy or scheme, or else clearly signposted to within those terms (if published elsewhere).
- 4.48. Public authorities are not obligated to include a limitation of this sort in the design of an electricity generation adequacy subsidy or the terms of a scheme with this purpose.

Principle E –Subsidies for renewable energy or cogeneration shall not affect beneficiaries’ obligations or opportunities to participate in electricity markets

- 4.49. Cogeneration, or combined heat and power (CHP), is defined as the simultaneous generation in one process of thermal energy and electrical or mechanical energy.
- 4.50. Public authorities designing subsidies to be assessed under this principle should avoid placing limitations on the recipient’s ability to participate in electricity markets, either directly or indirectly. They should also not relieve a recipient of any obligations they may have to participate in electricity markets. Public authorities should in general be aware of existing law and practice on electricity market participation when designing their subsidy or scheme.
- 4.51. A statement in the terms of a renewable energy or cogeneration subsidy or scheme to the effect that nothing in the terms of the subsidy relieves a recipient of the obligation or ability to participate in electrical markets is sufficient to ensure compliance with this principle.
- 4.52. Only subsidies with a purpose relating to renewable energy or cogeneration must be assessed against this principle.

Principle F – Subsidies in the form of partial exemptions from energy-related taxes and levies

- 4.53. Subsidies in the form of partial exemptions from energy-related taxes and levies in favour of energy-intensive users shall not exceed the total amount of the tax or levy concerned.
- 4.54. Accordingly, a public authority may exempt an energy-intensive recipient liable for the payment of (for example) £10m in relation to an energy levy from paying anything up to the full amount, or £10m of the liability. The public authority may not provide funding in excess of the full amount of the total amount of the levy without undertaking a further assessment against the subsidy control principles.
- 4.55. Only subsidies that take the form of partial exemptions from energy-related taxes and levies need to be assessed against Principle F.
- 4.56. An example of an energy-related tax or levy that would fall under the terms of this principle is the Climate Change Levy³⁹.

Principle G - Subsidies in the form of compensation for increases in electricity costs

- 4.57. Subsidies in the form of compensation for electricity-intensive users given in the event of an increase in electricity costs resulting from climate policy instruments shall be restricted to sectors at significant risk of carbon leakage due to the cost increase.
- 4.58. Carbon leakage is the displacement of production, and associated greenhouse gas emissions, in ways that would not have happened if climate rules and policies across jurisdictions were implemented in an equivalent way.
- 4.59. Energy intensive industries typically refer to industrial sectors – usually manufacturing industries – that are high, or very high, users of energy. Energy costs are an unavoidably high proportion of production costs in these industries. Examples include the cement or steel industries.
- 4.60. Only subsidies in the form of compensation for increases in electricity costs for electricity-intensive users need to be assessed against principle G.

³⁹ More information on the Climate Change Levy is available here – <https://www.gov.uk/green-taxes-and-reliefs/climate-change-levy>

Principle H – Subsidies for the decarbonisation of emissions linked to industrial activities

4.61. Subsidies for the decarbonisation of emissions linked to industrial activities in the United Kingdom shall:

- achieve an overall reduction in greenhouse gas emissions; and
- reduce the emissions directly resulting from the industrial legacy activities.

4.62. Greenhouse gas (GHG) emissions include six GHGs that contribute to global warming, of which CO₂ is the most widely known. The other gases included are methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), and sulphur hexafluoride (SF₆). These last three gases are collectively referred to as Fluorinated-gases (or F-gases). The Secretary of State may also designate other greenhouse gases as targeted greenhouse gases under the Climate Change Act 2008.

4.63. Industrial activities generally include, but are not limited to, industrial processes that use inputs to produce outputs. In general, if the beneficiary of a subsidy undertakes activities in SIC⁴⁰ codes within Section C (Manufacturing), it is highly likely to be engaged in industrial activities, but public authorities should make their own judgements on the terms of a beneficiary's activities based on the facts at hand.⁴¹

4.64. Only subsidies for the decarbonisation of emissions linked to industrial activities in the UK need to be assessed against Principle H. Examples of emissions linked to industrial activities include:

- Emissions related to the burning of fossil fuels or biomass, and;
- Emissions related to industrial production processes, such as steel.

4.65. Emissions that are not related to industrial activities are not within scope of this principle, including emissions from agriculture and agricultural land management.

4.66. Public authorities giving subsidies for the decarbonisation of emissions linked to industrial activities in the UK should therefore, when assessing the subsidy or scheme for the purpose of this principle, ensure that:

⁴⁰ Standard Industrial Classification of economic activities (SIC) – a means of classifying a particular economic activity for statistical purposes, published by the Office of National Statistics.

⁴¹ More information on SIC codes can be found here -

<https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic>

- Overall reductions in GHG emissions are achieved relative to likely GHG emissions in the absence of the subsidy; and,
 - The subsidy has the effect of reducing the emissions directly resulting from the industrial activities in question.
- 4.67. When considering whether there is an overall reduction in emissions, public authorities should look in particular at the impact on greenhouse gas emissions from enterprises, locations or sectors that are not in receipt of the subsidy. The subsidy is only consistent with this principle if there is an overall reduction in emissions, not simply displacement from one producer to another.
- 4.68. When considering whether there is a reduction of emissions directly resulting from the industrial activities in question, public authorities should ensure that the subsidy does not simply reduce emissions in the inputs to the industrial activities.
- 4.69. If a subsidy aims at decarbonising emissions, it should be designed to target the industrial activity in question and directly reduce its emissions – rather than incentivising the customers of the high-emissions product to avoid it.

Principle I – Subsidies for improvements of the energy efficiency of industrial activities

- 4.70. Subsidies for improvements of the energy efficiency of industrial activities in the United Kingdom shall improve energy efficiency by reducing energy consumption, either directly (by reducing total energy use from one year to the next) or per unit of production.
- 4.71. Nothing in this principle prevents public authorities from giving subsidies for RD&I that supports the development of technologies leading to greater energy efficiency.
- 4.72. Only subsidies for the improvement of energy efficiency of industrial activities in the UK need to be assessed against Principle I. Examples of industrial activities are suggested above in paragraph 4.63.
- 4.73. Examples of energy efficiency improvements that would likely fall into the scope of this principle are set out below. This is not an exhaustive list – determinations of whether a particular energy efficiency subsidy falls within the scope of this principle should be made on a case-by-case basis, using the evidence at hand.

- Process optimisation improvements, including industrial process control systems (for example: discrete controllers, distributed control systems, SCADA systems and programmable logic controllers) that measure, monitor and control equipment within an industrial process to improve energy efficiency.
- Equipment upgrades, including more efficient driers, ovens, and kilns (including the use of microwave and infra-red heating where this is more efficient).
- Heat and energy recovery and heat pumps, including heat pumps that provide energy in the form of heat or cooling to an industrial process, where the heat is sourced from the natural environment.
- Resource efficiency measures, including onsite resource efficiency measures to reduce wastage and optimise use of raw materials.

5.

Chapter 5: Prohibitions and other requirements

Overview of the chapter

- 5.1. The subsidy control regime prohibits specific kinds of subsidy and places conditions on the granting of others.
- 5.2. Before giving a subsidy, a public authority must ensure that it is not prohibited, and meets any specific requirements as set out below.
- 5.3. Before making a scheme, a public authority must ensure that it is not possible to give a prohibited subsidy under the scheme. Schemes are prohibited to the extent that they provide for the giving of prohibited subsidies.
- 5.4. Public authorities are advised to consider their assessments of the subsidy or subsidy scheme against the subsidy control principles particularly carefully when giving subsidies that are subject to special requirements; this is especially true in the case of subsidies designed to rescue or restructure an ailing or insolvent enterprise, given the greater risk they are likely to pose of market distortions.

General prohibitions and conditions

- 5.5. The Act prohibits some categories of subsidy outright. This is because of the greater risk they pose of significantly distorting competition or investment in the UK, or international trade or investment. The UK also has obligations under international agreements – including, for example, as a member of the WTO – to prohibit many of these kinds of subsidies.
- 5.6. Other categories of subsidies may be granted provided that they are designed in such a way that they meet certain conditions. Subsidies or schemes that meet these conditions can be granted – they may also be subsidies or schemes of interest (SSoI), or subsidies or schemes of particular interest

(SSoPI), and the public authority should consider whether referral is appropriate or necessary in such cases⁴².

Unlimited guarantees

- 5.7. Any subsidy that would guarantee an unlimited quantity of liabilities or debts, or which would guarantee a finite amount of liabilities or debts but over an indefinite period, is prohibited. Public authorities should ensure that subsidies in the form of a guarantee must apply to a finite amount of an enterprise's liabilities or debts and over a finite period of time.
- 5.8. This prohibition applies without regard to the type of unlimited guarantee provided. It is not material whether the guarantee is linked to a specific transaction or contractual obligation (e.g., a loan or a sale), or whether it is provided independently from any such transaction or obligation.
- 5.9. For the avoidance of doubt, public authorities should note that an insurance, reinsurance or compensation scheme operated by a public authority does not constitute an unlimited guarantee for the purposes of the Act.

Example

A guarantee by a public authority in respect of all a company's debts and liabilities, however and whenever incurred, constitutes an unlimited guarantee and is prohibited, even if the guarantee is time limited.

Export performance

- 5.10. A subsidy that is contingent in law or in fact, whether solely or as one of several other conditions, upon export performance relating to goods or services is prohibited. This might include, for instance, subsidies to an exporter to cover the price difference between UK market prices and international market prices.
- 5.11. There is an exception to this prohibition for UK Export Finance short-term export credit support.
- 5.12. Export performance subsidies are also prohibited for Minimal Financial Assistance and SPEI Assistance subsidies in relation to goods (although Minimal Financial Assistance and SPEI Assistance are exempt from most other subsidy control requirements) – see [Chapter 7](#).

⁴² See [Chapter 11](#) for more information on the referral processes for SSol and SSoPI

Use of domestic goods or services

- 5.13. Subsidies that are contingent on the use of domestically produced goods or services, often known as 'local content' subsidies, are prohibited under the Act.
- 5.14. A requirement to use domestic goods could take a variety of forms, including, for instance, a requirement to:
- use domestic goods which will be consumed in the process of manufacturing;
 - use domestic components which will be incorporated into a separate good; or
 - use domestic tools in the manufacturing process.
- 5.15. Goods should be considered to be domestic for the purposes of the Act if they originate in the United Kingdom. For further information on when goods are considered to originate in the United Kingdom, please consult [government guidance on rules of origin](#).
- 5.16. Similarly, a requirement to use domestic services should be interpreted broadly to cover any requirement to use domestic services at any stage of the commercialisation process of any goods or services supplied by the beneficiary of the subsidy.
- 5.17. The requirement to use domestic products or services can be an explicit requirement, flowing from the very terms of the subsidy or their necessary implications. A prohibited domestic use subsidy could also be an implicit requirement, flowing from the measure's design and structure, its practical implications, or any other relevant factual circumstances. Public authorities should therefore consider whether a condition to use domestic goods or services can be inferred from the terms of the measure providing the subsidy or from the factual context surrounding it.
- 5.18. However, this prohibition does not apply where recipients use UK goods and services without being compelled to do so, as a commercial decision.

Example

A subsidy conditional on the use of manufacturing equipment produced by manufacturers in the United Kingdom would be prohibited.

A subsidy which is conditional on the enterprise using local customer service call centres would also be prohibited.

A subsidy which does not place any conditions on where the enterprise purchases goods or services would not be prohibited.

- 5.19. This prohibition does not prevent public authorities from conditioning an incentive to an enterprise, which is not currently established or operating in the UK, to establish itself or operate in the UK on certain requirements such as to locate production; supply a service; train or employ workers; construct or expand particular facilities; or carry out research and development, in the UK.
- 5.20. Local content subsidies provided to the audio-visual sector are also not covered by this prohibition. This exception is linked to the important contribution the audio-visual sector can make, for example, to the objectives of promoting and protecting UK culture. Subsidies to the audio-visual sector must nonetheless comply with the subsidy control principles and other requirements set out in the Act.
- 5.21. As with export performance subsidies, local content subsidies are prohibited for Minimal Financial Assistance and SPEI Assistance subsidies relating to goods (although Minimal Financial Assistance and SPEI Assistance are exempt from most other subsidy control requirements).

Relocation of activities

- 5.22. Relocation subsidies are generally prohibited where, first, the subsidy contains a condition requiring the relocation and second, the relocation would not occur without the subsidy. They may be permitted where the relocation subsidy is for the purposes of reducing economic or social disadvantage (see 'Relocation subsidies for the purposes of addressing social or economic disadvantage,' below). Subsidies that require the enterprise to move within the same area are also not prohibited (see 'Moves within the same area,' below).

What is relocation?

- 5.23. Relocation for this purpose means that an enterprise that has been carrying on activities in one area of the UK ceases to carry on those activities after receiving a subsidy and moves to a new area.

What type of subsidies are prohibited?

- 5.24. The prohibition only applies to subsidies that are contingent on the beneficiary relocating. This does not, for instance, prohibit a subsidy where the public authority becomes aware that on receipt, the beneficiary intends to relocate and that it would not do so without the subsidy. This is provided that the

beneficiary would also be able to receive the subsidy if it did not proceed with the relocation. Nor does it prohibit subsidies that simply make an area more attractive to investment, and to which a business might relocate to take advantage of subsidy schemes in place in that area.

- 5.25. It also does not apply to subsidies given to attract new investment into the UK, even if there is a ‘subsidy race’ between public authorities to attract that investment. Nonetheless, public authorities should tread very carefully in these cases, because ‘subsidy races’ are likely to cause excessive distortions. For more information, please see [Chapter 3](#).
- 5.26. The prohibition covers any subsidy agreement that includes any stipulation that the beneficiary must relocate. Even where there is not a clear-cut requirement that the beneficiary must relocate, a public authority should reflect on whether it is only giving a subsidy because of a common understanding that the beneficiary will relocate. This is likely to be prohibited unless covered by the exemption below.

Moves within the same area

- 5.27. The prohibition does not extend to subsidies that require the beneficiary to move economic activity within an ‘area’.
- 5.28. What constitutes an ‘area’ should be considered in light of the purpose of this provision: namely, to deter subsidy races between public authorities and prevent the poaching of economic activity to the detriment of the vacated area. As a result, the definition of ‘area’ is a question of both political and economic geography.
- 5.29. Generally, a subsidy that requires economic activity to move between two places within the area in which a local authority exercises its responsibilities would be permitted, and a relocation between local authority areas would not.⁴³ This is because a subsidy requiring economic activity to move within a single local authority area cannot be the result of a subsidy race between public authorities, or of poaching. Further, to the extent that a move over such a small distance has a negative impact on the vacated place, the same public authority will be responsible for both the place where the benefits of the move are expected, and where any harms are felt. However, in rare instances, it may be appropriate to use other definitions of ‘area’, as below:

⁴³ In this section, ‘local authority boundaries’ refers to the territory in which a unitary local authority exercises its responsibilities, or the territory in which an upper-tier local authority, such as a county council or London borough, exercises its responsibilities. It is expected that district councils will very rarely, if ever, give relocation subsidies.

- 5.29.1. Generally, a local authority or other public authority may give subsidies that require the beneficiary to move economic activity from one place to another within the boundaries of a local authority area.
- 5.29.2. Where a public authority, such as a combined authority, devolved administration or the UK Government, exercises its responsibilities over more than one local authority area, then it may give subsidies requiring economic activity to move across local authority boundaries within the area in which the public authority exercises its responsibilities. However, the relocated activity must stay within the boundaries of the relevant travel-to-work area.⁴⁴ A local authority may not give subsidies that require relocations across local authority boundaries.
- 5.29.3. In all instances, a public authority should consider whether the nature of the economic activity to be relocated, the characteristics of the workforce or the geography of the region mean that it will be impractical for staff to commute to the new location, even within the same travel-to-work or local authority area. (For example, in the most remote areas.) If so, the relocation is likely to be prohibited unless the exemption (below) applies.

Relocation subsidies for the purposes of addressing social or economic disadvantage

- 5.30. The prohibition on relocation subsidies does not apply to subsidies that will have the effect of reducing social or economic disadvantage. To make use of this exemption, the public authority giving the subsidy must be satisfied that it meets all of the following requirements.

The first requirement is that the subsidy will reduce social or economic disadvantage in an area (the target area). This requires the public authority to establish first that there is a disadvantage by using measures or indicators such as household income or unemployment levels. These should be set against appropriate national or regional comparators. Depending on the nature of the disadvantage other measures set against appropriate comparators may be suitable.

The public authority should then articulate the reduction in disadvantage that the subsidy is expected to create in the target area. This reduction is likely to have been the rationale for giving the subsidy in the first place, and therefore there will be significant overlap with the analysis required to assess the subsidy

⁴⁴ Office for National Statistics, 'Travel to Work Areas (TTWA) boundaries, 2011, <https://www.data.gov.uk/dataset/1b3604bc-8fd3-4b01-a0fd-0f3bf7fcd160/travel-to-work-areas-ttwa-boundaries>.

or scheme in line with the subsidy control principles. The same measures and indicators that would be needed to evidence that type of equity rationale and to limit the value of the subsidy to what is necessary to meet that objective would also be appropriate here, as ways of anticipating the subsidy's effect on social or economic disadvantage in the target area.

The second requirement is that the subsidy will result in an overall reduction in the social or economic disadvantages within the United Kingdom generally. This requires the public authority giving a relocation subsidy to assess the impact of the subsidy on the area from which the economic activity will move (the vacated area). As a starting point, a public authority should use the same measures and indicators needed to gauge the subsidy's likely positive impact on social or economic disadvantage in the target area and use these to assess the subsidy's likely negative impact on disadvantage in the vacated area. If there are significant foreseeable harms that would not be captured by this initial exercise, it is important that the public authority should consider additional ways of assessing the impact on social or economic disadvantage in the vacated area.

For the subsidy to result in an overall reduction of social or economic disadvantage in the UK, the positive and negative impacts should not simply cancel each other out.

This means, for example, that where a relocation subsidy aims to create jobs in an area with high unemployment, the vacated area should be one that has lower unemployment levels than the target area. The public authority giving the subsidy must be satisfied that the resulting increase in social vacated area will be less than the decrease in disadvantage in the target area. As part of this assessment, it may also be appropriate to consider factors such as the availability of alternative work for employees in the vacated area.

The final requirement is that the subsidy is designed to bring about a change in the size, scope or nature of the activities that are being relocated. Changes in nature may include an increase in workforce, the addition of new product lines or taking advantage of clustering effects to establish new collaborative projects.

- 5.31. In addition to these criteria, the subsidy must still satisfy the subsidy control principles. To avoid the negative effects of subsidy races it will be particularly important to establish that the subsidy is proportionate to its policy objective and that it is an appropriate policy instrument for achieving the objective.

- 5.32. Relocation subsidies will be treated as SSol below a value of £1m, and SSoPI above that value (see Chapter 10 for further information on subsidies and schemes of interest and of particular interest).

Ailing or insolvent enterprises

- 5.33. The Act prohibits rescuing and restructuring subsidies to ailing or insolvent enterprises unless certain requirements are met.
- 5.34. 'Ailing or insolvent' is used to define a deposit taker, insurance company or other enterprise that is unable to pay its debts as they fall due and would almost certainly go out of business in the short to medium term without subsidies.
- 5.35. There is a spectrum of enterprises in financial difficulties. This can range from expected temporary financial difficulties of a subdivision in the future to actual insolvency of the entire enterprise.
- 5.36. The prohibition on rescue and restructuring subsidies is most likely to be directly relevant where an enterprise is at imminent risk of failure and approaches a public authority for financial assistance specifically to avert that failure. There is no wider prohibition against giving subsidies that are not rescue or restructuring subsidies to ailing or insolvent enterprises. For example, an access to finance subsidy scheme open to small businesses generally does not constitute rescue and restructuring aid even if one or more recipients (among many) may be ailing or insolvent. However, public authorities may wish to consider whether ailing and insolvent enterprises should be excluded from eligibility for subsidies and subsidy schemes with regard to value for money (in the event that the enterprise were to face increasing financial difficulties or fail).
- 5.37. This section is concerned with rescue and restructuring support. Each is discussed in turn below.

Rescue support

- 5.38. Subsidies for rescuing ailing or insolvent enterprises, that are not deposit takers or insurance companies, are prohibited unless certain conditions are met. The public authority must be satisfied that:
- the subsidy is granted during the preparation of a restructuring plan;
 - the subsidy contributes to an objective of public interest, by avoiding social hardship or preventing serious market failure; and
 - the subsidy consists of temporary liquidity support in the form of a loan or loan guarantee.

- 5.39. Rescue subsidies are subsidies of interest and accordingly may be, but are not required to be, referred to the SAU – see [Chapter 11](#). Public authorities are encouraged to refer rescue subsidies to the SAU where possible, given their higher likelihood of posing a risk of distorting the market. If, following a referral, a recipient's financial circumstances decline to the extent that it would collapse if the subsidy were not granted immediately, a referral to the SAU may be withdrawn and the rescue subsidy granted forthwith.

Temporary liquidity support in the form of a loan or loan guarantee

- 5.40. Generally, liquidity support is considered to be temporary if it provides the necessary support over a period which does not exceed around six months.
- 5.41. However, public authorities may grant liquidity support for a period exceeding six months where they are satisfied that extended access to liquidity support will enable an enterprise to complete its restructuring without the need for restructuring support.

Amount and duration of support

- 5.42. In general, the support provided to the enterprise should not exceed the amount required to keep the enterprise operating as a business for around six months.
- 5.43. Where additional liquidity support is provided with a view to avoiding the need for restructuring support, the amount of liquidity support provided under the initial and subsequent measure, taken together, should not exceed the amount required to keep the enterprise operating as a business for around 18 months.
- 5.44. Public authorities may want to assess the amount required to cover an enterprise's liquidity support needs by basing their analysis on the enterprise's operating cash flow in its most recent complete accounting period before the date on which the rescue support is due to be provided.

Appropriate reimbursement

- 5.45. Public authorities should, in general, ensure that they are appropriately reimbursed for the loan or loan guarantee provided to the enterprise. In particular, the financial cost of the loan and the total cost of the guaranteed loan should typically reflect the creditworthiness of the enterprise and provide incentives for the enterprise to reimburse the public authority as soon as possible.
- 5.46. When assessing the creditworthiness of the enterprise, the public authority should discount the temporary effects of the liquidity difficulties the enterprise

has encountered as well as the temporary effects of the subsidy received from the public authority.

Use of the subsidy

5.47. The public authority must be satisfied that the loan will be used to support the enterprise's liquidity needs. This will generally not include the financing of structural measures, such as the acquisition of significant businesses or assets, unless measures such as these are strictly necessary for the continued survival of the enterprise during the period in which rescue support is provided.

Restructuring support

5.48. Subsidies for restructuring ailing or insolvent enterprises, that are not deposit takers or insurance companies, are prohibited unless certain conditions are met. The public authority must be satisfied that:

- the enterprise has prepared a restructuring plan;
- the enterprise's owners, creditors or new investors have contributed to the cost of the restructuring;
- the subsidy contributes to an objective of public interest by avoiding social hardship or preventing severe market failure; and
- at least five years have passed since the last time a subsidy was given for rescuing or restructuring the enterprise.

5.49. Each of these conditions are considered below. Provided these conditions are met, the public authority is free to determine the form the restructuring support should take, so long as the instrument chosen is consistent with the subsidy control principles.

5.50. Specific guidance on the measures public authorities should adopt, in their principles assessment, to limit distortions of competition and investment in the UK, and international trade and investment, as a result of restructuring support have also been considered below.

5.51. Subsidies for restructuring ailing or insolvent enterprises are subsidies of particular interest and must be referred to the SAU before they are given (see [Chapter 10](#) for definitions on subsidies of particular interest and [Chapter 11](#) for the referral process).

Restructuring plan

5.52. The public authority must be satisfied that the enterprise's restructuring plan is credible and based on realistic assumptions.

- 5.53. Public authorities must be satisfied that the restructuring plan describes a credible means of returning the enterprise to long-term viability. At a minimum, the restructuring plan must describe the reasons explaining why the enterprise will exit the market in the absence of the support and how the restructuring measures the enterprise proposes to undertake will address those underlying reasons.
- 5.54. The plan should also aim to return the enterprise to long-term viability within a reasonable time period without needing further subsidy support.
- 5.55. The design of the restructuring plan is linked to [Step 3](#) in the principles assessment. Public authorities should also consider whether restructuring support should be subject to any conditions (such as behavioural or structural conditions) to mitigate the negative effects of any restructuring subsidy on domestic competition or investment or international trade or investment.

Contribution toward costs

- 5.56. The amount of support provided by the public authority should be limited to the smallest amount necessary to make the restructuring possible.
- 5.57. Unless the recipient of restructuring support is a small or medium-sized enterprise, public authorities should ensure that the enterprise or its owners, creditors or investors have contributed significantly to the cost of restructuring or have a contractual obligation to do so.
- 5.58. In considering whether a recipient is a small or medium-sized enterprise, public authorities should first identify the enterprise as defined in the Act: a person, or group of persons under common ownership or common control, which is engaged in economic activity (see [Chapter 2](#) of this guidance). They should then consider whether it should be considered small or medium-sized by reference to the Companies Act (Section 382 and Section 465, respectively).
- 5.59. The contribution by the enterprise or its owners, creditors, or investors should be as high as possible and be similar to the support provided by the public authority in terms of the type of effect it can produce on the enterprise's solvency or liquidity position.
- 5.60. As general rule, the contribution by the enterprise or its owners, creditors, or investors should amount to at a minimum 50% of the total cost of the restructuring for large enterprises, at a minimum 40% for medium enterprises, and 25% for small enterprises. Lesser contributions may be considered for large enterprises where the public authority is satisfied that the contribution

remains substantial and the lesser contribution is justified on account of exceptional circumstances or by particular hardship.

- 5.61. The public authority must also be satisfied that the restructuring support provided will not serve to cover the losses of shareholders or subordinated debt holders. Support should only be provided once these losses have been fully accounted for and attributed to the relevant debt holders.

Public interest

- 5.62. The public authority should be satisfied that the subsidy contributes to an objective of public interest by avoiding social hardship or preventing severe market failure.
- 5.63. Several considerations can be relevant to assessing whether an enterprise's exit from the market would produce social hardship or lead to severe market failure. Relevant considerations can include, but are not limited to circumstances such as:
- where the rate of unemployment in the area potentially affected by the enterprise's exit has been persistently higher than the national average and where it is difficult to create new jobs in that area;
 - where the enterprise provides an important service which cannot easily be provided by another enterprise, making the enterprise difficult to replace;
 - where the enterprise's exit would have a considerable disruptive impact on a regional market or in a particular sector;
 - where there is a risk of interruption of a SPEI;
 - where the market exit of the enterprise is an otherwise avoidable consequence of a failure or adverse incentives of credit markets; or
 - where the enterprise's exit from the market would lead to the loss of important technical knowledge or expertise.
- 5.64. Where the public authority is considering restructuring support for a small or medium-sized enterprise it should also consider whether the small or medium-sized enterprise's exit from the market could lead to potential negative consequences due, for instance, to:
- the fact that the small or medium-sized enterprise is highly innovative or has serious growth potential, or
 - the fact that the small or medium-sized enterprise has extensive links to other local or regional enterprises and in particular other small or medium-sized enterprises.

- 5.65. Where the subsidy does not contribute to an objective of public interest by avoiding social hardship or preventing severe market failure, the authority must be satisfied that there are exceptional circumstances that justify it being given.

Where rescue and restructuring support has been granted in the last five years

- 5.66. Generally, restructuring support should not be given to an enterprise if it has previously received rescue or restructuring support on a different occasion in the last five years.
- 5.67. However, restructuring support may be given if the public authority is satisfied that the circumstances that have led to the need for the subsidy were unforeseeable and not caused by the beneficiary.
- 5.68. In addition, there may be circumstances where support would be a variation of existing structuring support rather than new restructuring support for a new purpose, for example where contingent liabilities relating to the original restructuring event were subsequently found to be more extensive and require supplementary finance.

Calculating the five-year period

- 5.69. The five-year period should generally be considered to start from the most recent of the following three dates: the date on which support was given, the date on which the period covered in the previous restructuring ended, or the date on which the previous support was suspended.
- 5.70. Where rescue or restructuring support was previously given to a corporate group, the five-year prohibition applies to all bodies corporate within that group. Conversely, where rescue or restructuring support was granted to a single body corporate within a corporate group, the 5-year prohibition does not apply to the bodies corporate within the corporate group which did not receive support. However, the public authority must be satisfied that any support provided will not be passed on to the body corporate which has received support in the previous five years.
- 5.71. The five-year prohibition will continue to apply to an enterprise despite the fact that it has changed ownership after receiving rescue or restructuring support. However, an enterprise will not be covered by the five-year prohibition merely on account of having purchased the assets of an enterprise which received rescue or restructuring support in the previous five years.

Exceptions to the five-year prohibition

- 5.72. An enterprise may receive rescue support and then, soon thereafter, be due to receive restructuring support as part of the same rescue and restructure process. This is known as a single restructuring process. In such cases the rescue support received in the context of that process will not prevent the enterprise from receiving restructuring support soon thereafter, so long as it forms part of the same single restructuring process.
- 5.73. Outside of support granted as part of a single restructuring process, an enterprise should only be exempt from the five-year prohibition in the event of exceptional circumstances which were not caused by the enterprise. This exception will only apply where the enterprise's need for restructuring support is due to circumstances which could not possibly have been foreseen by the enterprise's management at the time the previous rescue or restructuring support was granted and which is not a consequence of negligence or errors on the part of the enterprise's management or decisions of the corporate group to which it belongs.

Example

An enterprise which required rescue support in 2018 may nevertheless be eligible for restructuring support in 2021 if the enterprise's need for restructuring support is due to the economic consequences of the COVID-19 pandemic.

Limiting distortions of domestic competition or investment, or international trade or investment

- 5.74. Public authorities should, where possible, ensure that the beneficial effects of restructuring support to an enterprise should outweigh any negative effects, including, in particular, negative effects on domestic competition or and investment, on international trade or investment.
- 5.75. Using the assessment of the likely effects of financial assistance as a baseline, the public authority should consider whether any distortionary effects of the subsidy on domestic competition or and investment, or international trade or investment could be reduced by actions undertaken by the enterprise. These actions can relate to the enterprise's conduct on the market as well as the enterprise's own business.

Conduct on the market

5.76. In all cases, public authorities should require the enterprise to agree to certain undertakings regarding its conduct on the market for the duration of the restructuring plan. These undertakings aim to ensure that restructuring support is used for its intended purpose and is not used to distort competition. Specifically, the enterprise should undertake to:

- refrain from using restructuring support to expand its market position through the acquisition of shares or assets, unless these acquisitions are strictly necessary to ensure its long-term viability; and
- refrain from using the fact that it is receiving restructuring support in its marketing activities.

5.77. Public authorities should consider whether any other conditions regarding the enterprise's conduct on the market are necessary to reduce any distortionary effects of the subsidy on domestic competition or investment, or international trade or investment.

Actions affecting the enterprise's business structure

5.78. The public authority should also consider whether any actions relating to the structure of the enterprise, such as asset divestments, may be required to avert or reduce the potentially distortive effects of the subsidy.

5.79. Any actions relating to the structure of the enterprise should pertain to the market(s) on which the subsidy is likely to produce a distortive effect, should be designed to favour market entry or the expansion of smaller competitors on this market(s), and should not lead to a degradation in the structure of that market(s). These actions should also be implemented within the period covered by the restructuring plan.

Restructuring deposit takers or insurance companies

5.80. 'Deposit taker' refers to an organisation whose main function is to carry on the regulated activity of accepting deposits.

5.81. 'Insurance company' refers to a corporate body that has permission to carry on the regulated activity of effecting or carrying out contracts of insurance.

5.82. A subsidy for restructuring an ailing or insolvent deposit taker or insurance company is prohibited unless the subsidy is granted by an authority based on a restructuring plan that is credible and likely to restore long-term viability. The public authority should also expect to be properly remunerated for the subsidy.

- 5.83. As with restructuring subsidies for other enterprises, the beneficiary of the subsidy, its shareholders, or the business group to which it belongs should have contributed significantly to restructuring costs from their own resources or have a contractual obligation to do so.

Liquidating deposit takers or insurance companies

- 5.84. Subsidies to ailing or insolvent deposit takers or insurance companies that cannot credibly demonstrate that they are capable of being returned to long-term viability are prohibited. However, public authorities can give such subsidies to a deposit taker or insurance company if it is for the purpose of ensuring their orderly liquidation and exit from the market.
- 5.85. The subsidy should be limited to minimise its negative effects on domestic competition or investment, or international trade or investment.⁴⁵ Finally, the beneficiary of the subsidy, its shareholders, or the business group to which it belongs should have contributed significantly to the liquidation costs or have a contractual obligation to do so.

Liquidity provision for deposit takers or insurance companies

- 5.86. A subsidy to support liquidity provision for an ailing or insolvent deposit taker or insurance company is prohibited unless the subsidy is temporary and the public authority giving the subsidy reasonably expects to be paid back. Such a subsidy should not be used to absorb losses or become capital support.
- 5.87. For the avoidance of doubt, a subsidy which is temporary liquidity support provided to a beneficiary in the process of preparing a restructuring plan shall be considered as liquidity provision rather than a restructuring subsidy.

Other specific prohibitions and requirements

Subsidies for insurers that provide export credit insurance

- 5.88. Subsidies for insurers providing export credit insurance are permitted only when they are subject to the conditions that any export credit insurance provided by the insurer against marketable risks is on a commercial basis, and the subsidy is not used to benefit the insurer's business that consists of providing export credit insurance against marketable risks.

⁴⁵ Please see [Chapter 3](#) for more information on conducting an assessment against the subsidy control principles.

Subsidies for air carriers for the operation of routes

5.89. This type of subsidy is prohibited unless one of the following three conditions is met:

- the operation of the route is a public service obligation imposed upon the air carrier;⁴⁶
- the public authority is satisfied that the subsidy provides benefits for society at large; or
- the subsidy is a start-up subsidy for opening a new route to a regional airport, and the public authority is satisfied that it will increase the mobility of citizens and stimulate regional development.

Subsidies or schemes subject to mandatory referral

5.90. Subsidies or schemes of particular interest must not be given until they have been referred to the SAU before they are given or made, respectively, and the cooling off period following the publication of the SAU's report has expired. Further information on SAU referrals is set out in [Chapter 11](#).

⁴⁶ The public service obligation must be imposed under either Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the United Kingdom (which is retained EU law), or Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (as it has effect in EU law).

6.

Chapter 6: Services of Public Economic Interest (SPEI)

Overview of chapter

- 6.1. The Act contains provisions for public authorities to provide subsidies for Services of Public Economic Interest (SPEI). These are essential services provided to the public and may include, for example, postal services, social housing, and certain transport networks, particularly in rural or less populated areas of the country. Without these subsidies, these services would not be supplied in an appropriate way or may not be supplied at all by the market.
- 6.2. The following sections provide guidance on:
- when a service is considered to be an SPEI;
 - when public spending on an SPEI constitutes a subsidy;
 - the requirements public authorities must adhere to when providing an SPEI subsidy, including those on transparency; and
 - exceptions to those requirements where the subsidy is given as SPEI Assistance.
- 6.3. Details on SPEI Assistance (SPEIA) can be found in [Chapter 7](#), which provides guidance on when to use Minimal and SPEI Financial Assistance.

When is a service considered to be an SPEI?

- 6.4. To designate a service as an SPEI, the public authority must be satisfied that:
- the service is provided for the benefit of the public; and
 - the service would not be provided, or would not be provided on the terms required, by an enterprise under normal market conditions.
- 6.5. It is for the public authority to decide whether a service can be classed as an SPEI, subject to the conditions set out under section 29 of the Act, as this will be dependent on the needs of the local community in question and the prevailing market conditions. For example, for a rail or bus service, market conditions may adequately provide one type of service for a community in one

part of the country, but the same service would not be considered economically viable in another part of the country.

Example

Certain households fall outside of the service area of the local bus company as it would be uneconomical for the bus company to provide a service on routes which would connect those households to the rest of the local community.

As the provision of these additional bus services would lead to a public benefit (facilitating access to employment and healthcare for persons living in isolated households for instance), and would not be available under normal market conditions, the relevant public authority could designate the provision of bus services to these households as an SPEI. As the existing bus services can be provided to the rest of the local community under normal market conditions, this service would not be considered to be an SPEI.

As another example, the public authority may decide that local bus services should be provided using a fleet of electric buses. Whilst it may be in the commercial interest of bus operators to provide public transport service to the local area on certain terms (e.g. using a conventional diesel-fuelled fleet), it would be uneconomical for any operator to provide the bus services on the terms required by the public authority, using electric bus using a fleet of electric buses).

In these circumstances, public authorities could designate the provision of public transport services in the local area using electric buses as an SPEI.

When is public spending on an SPEI considered to be a subsidy?

- 6.6. Public authorities should consider whether public spending on an SPEI meets each of the four limbs of the test used to identify a subsidy (set out in [Chapter 2](#)).
- 6.7. In particular, the service provided in the public interest must entail an economic activity to be considered an SPEI. Public spending on non-economic services, that is, services which are not offered on a market, would not be considered to involve a subsidy.⁴⁷ For further information on when an activity will be considered to be economic in nature, please refer to [Annex 1](#).

⁴⁷ However, if public spending can be used to cross-subsidise economic activities, this spending may fall within the scope of the Subsidy Control Act if all other limbs of the test set out in Chapter 2 are met.

- 6.8. Public authorities should also consider whether public spending on an SPEI confers an advantage on the SPEI enterprise. As set out [Chapter 2](#) and [Annex 1](#), public authorities will generally be acting in accordance with the Commercial Market Operator (CMO) principle when they engage in competitive public procurement for goods or services. Payment for the goods or services purchased through a competitive process will, therefore, not generally be considered to confer an economic advantage, as the public authority will be purchasing such goods or services at a market rate.

Example

A local authority is looking to engage an external training provider in order to provide IT training for local residents. They are considering three options:

The first option is that they will collaborate with a non-profit organisation that provides free training sessions, by providing free use of local library facilities and advertising the sessions in the council newsletter. This is not a subsidy, because the activity is not economic.

The second option is that they will procure training services from a commercial training provider and provide them to residents for free. This is economic activity (the service is supplied from the provider to the local authority), but it is not a subsidy because the procurement complies with procurement rules and is in line with the CMO principle.

The third option is that the local authority subsidises an external training provider to provide commercial IT training to local residents. The local authority assesses that the service would not be provided on the market in the way that it wishes, and therefore it pays an additional grant to the training provider. This is an economic service, because the residents pay a fee to the training provider, and it operates for-profit. This constitutes an SPEI subsidy.

SPEI subsidy requirements

- 6.9. Should a public authority wish to provide a subsidy to an enterprise for the purpose of the provision of SPEI, the public authority must comply with certain substantive and procedural requirements in order to provide the SPEI subsidy. In particular, the public authority must:
- be satisfied that the subsidy is limited to what is necessary to deliver the service;
 - ensure that the SPEI subsidy is assessed against the subsidy control principles;

- ensure that the subsidy is provided in a transparent manner;
- ensure that the subsidy is regularly reviewed; and
- comply with the duty to include information in the subsidy control database.

6.10. The substantive and procedural requirements applicable to SPEI subsidies are discussed in greater detail below.

Substantive requirements

Compensation

- 6.11. A subsidy for the provision of SPEI should be limited to the net costs associated with its delivery and the making of reasonable profits whilst doing so. Public authorities have discretion to compensate only a portion of the net costs associated with the provision of the SPEI services and not to provide for any level of profit, should they wish.
- 6.12. Public authorities are free to use whichever basis for calculating compensation they consider appropriate in view of the specific circumstances of the SPEI. For instance, a public authority may decide to calculate compensation based on the number of service users or the number of individual services provided, or may decide to calculate compensation on a daily, weekly, or monthly basis. Whatever basis is chosen, before the SPEI provision commences or any compensation is paid to the SPEI enterprise, public authorities must ensure that a process is identified to calculate the amount of compensation that will be provided to the enterprise as compensation for the SPEI. Public authorities should also ensure that the compensation parameters used include incentives to encourage the efficient use of resources.
- 6.13. Public authorities should note that, for the purposes of the Act, compensation includes any kind of financial assistance given to the SPEI enterprise through public resources. This could include, for instance, rights to use certain assets owned by the public authority at sub-market prices.
- 6.14. Compensation must only cover costs which are directly associated with the provision of the SPEI. In the event that a single service provided by an enterprise has both SPEI and non-SPEI components, public authorities must ensure that SPEI compensation only covers the additional costs incurred by providing the SPEI and that it is not used to cross-subsidise non-SPEI components. In the event that an enterprise carries out distinct SPEI and non-SPEI activities, the enterprise should maintain a clear separation of accounts and the public authority must be satisfied that the methodology used to

calculate compensation will not cover costs which are not directly related to the provision of the SPEI.

Example

A childcare provider has been tasked with an SPEI which entails the provision of childcare services to the local community at sub-market rates. The childcare service provider will be providing these services from a building owned by the public authority, which will be leased to the enterprise at sub-market rates.

In view of the type of service provided, the costs directly associated with the provision of the SPEI are the cost of providing childcare service at sub-market rates. The public authority therefore decides to calculate SPEI compensation on the basis of the cost per child. The public authority does so by comparing the cost per child of providing childcare services at sub-market rates against the cost of providing those services under normal market conditions. The difference between the two is considered to be the cost directly associated with the provision of the SPEI.

The public authority factors in the advantage provided by the lease of its building at sub-market rates to the childcare service provider as part of the appropriate amount of SPEI compensation. The difference between the market price of a lease on identical terms and the price at which the building is due to be leased to the provider is subtracted from the amount due to the provider in as a cash transfer.

- 6.15. Compensation for the SPEI may also include reasonable profits to the SPEI provider. Reasonable profits should be assessed through a benchmarking exercise, comparing the profits achieved under similar types of public service contracts awarded under competitive conditions. A public authority should consider which profit level indicator is most appropriate for the purposes of the benchmarking exercise in view of the specific circumstances of the SPEI. In general, the rate of return on capital investments required to provide the SPEI is likely to be the most appropriate basis for comparison.
- 6.16. Public authorities should also consider the degree of risk assumed by the enterprise in providing the SPEI when assessing the reasonableness of any profits generated. In particular, the degree of risk assumed by the SPEI enterprise can be influenced by the payment process used by the public authority. If the public authority decides to make compensation payments in arrears on the basis of the net costs actually incurred by the SPEI enterprise, the enterprise will bear a lower level of risk. Conversely, lump sum payments

in advance could expose the enterprise to greater risk in certain markets (especially those in which costs are prone to greater fluctuations).

- 6.17. If compensation exceeds the net costs directly associated with the provision of the SPEI and any reasonable profits, the compensation mechanism used in the contractual arrangements between the public authority and the enterprise must allow the public authority to recover any overpayment to the SPEI enterprise. Recovery mechanisms will be particularly important where it is difficult to forecast the costs and revenues generated by an SPEI in advance.

Compatibility with subsidy control principles

- 6.18. An assessment against the subsidy control principles needs to be undertaken by the public authority in relation to SPEI subsidies. However, the subsidy may still be given if it is inconsistent with the principles but where compliance with the principles would prevent the SPEI services from being carried out. (It is not possible to give the subsidy if it is inconsistent with the Energy & Environment Principles or the other prohibitions and requirements in the Act.) [Chapter 3](#) provides further information on the subsidy control principles.

Procedural requirements

Transparency of the award

- 6.19. The award of an SPEI subsidy must be done in a transparent manner which means that the subsidy is given through a written contract or other written legally enforceable arrangement. Public authorities will normally publish these contracts and it is good practice to do so.
- 6.20. The terms of the subsidy must be set out in the relevant contract or arrangement. This must include the following information:
- the services for which the subsidy is being given;
 - the enterprise providing the service;
 - the period over which the services are being given;
 - the geographic area in which the services are being provided;
 - how the amount of the subsidy has been calculated; and
 - arrangements for review and steps for recovery if this becomes necessary.
- 6.21. Public authorities are not required to describe every task assigned to the SPEI enterprise in detail if this would be impractical. However, at a minimum, public authorities must ensure that the scope of the service to be provided by the SPEI enterprise along with any key performance requirements and conditions

(e.g., relating to service quality) can clearly be identified from the terms of the SPEI contract.

6.22. These measures will ensure that the delivery of SPEIs through the award of subsidies is transparent to competitors of the beneficiary and the community benefiting from the service.

6.23. The wider transparency requirements in the Act also apply to SPEI subsidies (see [Chapter 12](#)).

Regular review

6.24. Throughout the period the service is being provided, the public authority must keep the subsidy under regular review to make sure the subsidy remains limited to what is necessary to deliver the service. This will require the public authority to undertake a review of the SPEI subsidy at least once every three years (beginning with the day when the delivery period begins) and at the end of the delivery period.

6.25. As part of this review, public authorities must assess whether the compensation paid to the SPEI enterprise continues to be limited to what is necessary to deliver the SPEI services. Where they determine this not to be the case and the compensation is found to exceed the level of costs directly related to the provision of the SPEI or allows for compensation to exceed reasonable levels, the public authority must take steps to recover the sums paid in excess.⁴⁸

6.26. Public authorities can also use the provisions under ‘misuse of subsidies’ if they believe the enterprise delivering the service has used the subsidy to fund its operations not linked to the delivery of the SPEI.⁴⁹

SPEI Assistance

6.27. SPEI subsidies may be considered to constitute SPEI Assistance (SPEIA) if the total amount of “minimal or SPEI financial assistance” given to an enterprise does not exceed £725,000 over the applicable period. Further details can be found [in the following chapter](#) which also provides guidance on the use of Minimal Financial Assistance (MFA).

⁴⁸ [As noted above](#), public authorities should ensure that contractual arrangements with SPEI enterprises make sufficient provision for the recovery of these sums.

⁴⁹ For further information on the provisions of the Act relating to the misuse of subsidies, please refer to [Chapter 13](#).

7.

Chapter 7: Minimal and SPEI Financial Assistance (MFA & SPEIA)

Overview of chapter

7.1. This chapter explains when Minimal Financial Assistance (MFA) and SPEI Assistance (SPEIA) can be used, the relevant thresholds and cumulation rules. It also explains the procedures that need to be followed by a public authority when giving these forms of subsidies.

Minimal Financial Assistance

7.2. Minimal Financial Assistance (MFA) allows public authorities to award low value subsidies without needing to comply with the majority of the subsidy control requirements. MFA has a financial threshold so no recipient can receive more than £315,000 over the applicable period. The applicable period is:

- The elapsed part of the current financial year (i.e., from 1 April)⁵⁰, and
- the two financial years immediately preceding the current financial year.

7.3. Subsidies given under MFA provisions are very unlikely to have any appreciable distortive impacts on domestic competition or investment or international trade or investment. Subsidies given under MFA are therefore exempt from the majority of the substantive requirements of the Act. This means that:

- no assessment against the Subsidy Control Principles or Energy & Environment Principles is required;
- Most of the prohibitions and other conditions need not be considered (with some exceptions as explained at paragraph 7.5 below;
- the transparency obligations do not apply if the subsidy is £100,000 or less but they do apply if the subsidy exceeds this amount.

⁵⁰ The financial year means a period of 12 months ending 31 March.

When to use MFA

- 7.4. MFA can be used by a public authority when it is awarding a low value subsidy if the recipient has not reached the allowance threshold of £315,000 within the applicable period and will not breach this threshold on receipt of the subsidy. When providing a subsidy under MFA the public authority needs to follow certain procedural requirements and these are set out below under 'How to give a subsidy under MFA'. There are also a number of factors to consider before providing an MFA subsidy.
- 7.5. Although subsidies given as MFA are exempt from the main substantive subsidy control requirements, there are two prohibitions that apply to all subsidies including MFA – the prohibition on giving subsidies relating to goods for export performance and the prohibition on domestic content.⁵¹
- 7.6. Cumulation rules apply to MFA. This is essential to ensure that the UK is complying with its international obligations. MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. This captures all the different low value exemptions an enterprise could receive support from UK public authorities. For example, the following should all be taken into account during the current and previous two financial years:
- MFA;
 - SPEI assistance;
 - aid given under the EU State aid de minimis regulations⁵² either before the end of the implementation period of 31 December 2020 or after this date, if by virtue of the Northern Ireland Protocol; and
 - subsidies given as small amounts of financial assistance (SAFA) under Articles 364(4) or 365(3) of the UK-EU Trade and Cooperation Agreement after the end of the implementation period but prior to this section of the Act coming into effect.
- 7.7. This prevents enterprises being able to receive many subsidies that are in isolation considered low value, but cumulatively could create distortions if their combined value exceeds the threshold.

⁵¹ See [general prohibitions and conditions](#) section in Chapter 5

⁵² This includes de minimis under Commission Regulation (EU) No 1407/2013, SGEI de minimis under Commission Regulation (EU) No 360/2012, Agriculture de minimis under Commission Regulation (EU) No 1408/2013, and Fishery and Aquaculture de minimis under Commission Regulation (EU) No 717/2014.

- 7.8. MFA subsidies above £100,000 are subject to the transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the public authority needs to include details of the subsidy on the subsidy control database. Further details are provided in Chapter 12. These subsidies are nonetheless not subject to challenge on the basis of the subsidy control requirements as, with exception of the two prohibitions set out in [paragraph 7.6 above], MFA subsidies are exempt from the substantive requirements of the Act.
- 7.9. When deciding whether to use the MFA exemption, public authorities should be aware that additional MFA cannot be given to a beneficiary that has already reached their MFA threshold. Consequently, giving a particular subsidy as MFA may mean the beneficiary is limited in being able to receive further subsidies as MFA within the applicable period
- 7.10. Where a public authority has a high number of small value payments and decides to make these payments under a scheme, thereby complying with the substantive requirements under Part 2 of the Act, these payments would not cumulate as MFA as they would fall outside of the exemption.

How to give a subsidy under MFA

- 7.11. Public authorities awarding subsidies as MFA must comply with certain procedural requirements. The procedural requirements seek to ensure that enterprises only receive subsidies through the MFA exemption when they are entitled to do so.
- 7.12. Before awarding an MFA subsidy a public authority has to provide the intended recipient enterprise with an 'MFA notification'. An MFA notification means a written statement:
- explaining that the public authority is proposing to give to the enterprise a subsidy by way of MFA,
 - specifying the gross value amount of the assistance, and
 - requesting written confirmation from the enterprise that the MFA threshold specified in section 36(1) will not be exceeded by the enterprise receiving the proposed assistance.
- 7.13. The public authority can only award the subsidy when it has received this confirmation. If the enterprise confirms that they will exceed the threshold on receipt of the subsidy, it can still elect to receive part of the subsidy up to the

threshold as MFA but the remaining balance will be subject to the full subsidy control requirements associated with providing a subsidy that is not MFA.

- 7.14. When awarding an MFA subsidy, the public authority must give the intended beneficiary an 'MFA confirmation'. This is a written statement which confirms:
- that the subsidy is given as MFA,
 - the date on which it is given, and
 - the gross value amount of the assistance.
- 7.15. The procedures should represent a straightforward way for public authorities and enterprises to clarify whether the cumulative threshold has been reached. It is expected that public authorities will be able to undertake these procedures as part of the normal communications between a public authority and an enterprise before any subsidy is given and could be included within a single document. In seeking to keep the administrative burden to a minimum, public authorities are encouraged to use email and automated on-line processes wherever possible and by using forms including tick-boxes where appropriate.
- 7.16. Public authorities are encouraged to undertake their own due diligence. This should form part of the public authority's own procedures ahead of granting a subsidy and will reduce the risk of granting a subsidy that exceeds a recipient's MFA threshold. It should be remembered that the MFA threshold applies to an enterprise as defined in the Act, which can include a group of businesses operating under common control (see Annex 1) this may be particularly relevant when providing a subsidy to a national business which operates from multiple sites across the UK.
- 7.17. An example of text that could be used as part of a notification letter under section 37(2) of the Act is included below. It is for public authorities to consider if and how they use this text in their usual communications including when making a formal subsidy offer to an enterprise.

Example text for a s.37(2) notification

"The [PA] offers [Enterprise] a Minimum Financial Assistance (MFA) subsidy under the Subsidy Control Act (2022), subject to your agreement to, and compliance with, the terms and conditions set out below [relating to MFA and any other terms of the subsidy specified by the PA].

The amount of MFA offered is [£x]. Before making the payment, we require written confirmation that receipt of the payment will not exceed [Enterprise's]

MFA threshold of £315,000 cumulated over this and the previous two financial years, as specified in section 36(1) of the Subsidy Control Act (2022). This means you must confirm that you* have not received more than [£315,000 minus the value of the subsidy] in MFA subsidies or comparable types of subsidies (see section 42(8) of the Subsidy Control Act) between 1 April [year beginning the calculation period] and this date.

We take this opportunity to remind [Enterprise] that you are required to keep a written record of the amount of MFA you have received and the date/s when it was received. The written record must be kept for at least three years beginning with the date on which the MFA was given. This will enable you to respond to future requests from public authorities on how much MFA you have received and whether you have reached the cumulative threshold.

Confirmation must be sent by someone who is authorised to do so on behalf of your organisation.

I confirm, for and on behalf of, [Enterprise] that receipt of MFA of [£x] from [PA] will not exceed [Enterprise] MFA threshold specified in section 36(1) of the Subsidy Control Act (2022)."

[* The MFA financial threshold applies at company group level.]

- 7.18. As explained above enterprises in receipt of MFA from public authorities have certain obligations to fulfil including providing written confirmation that it will not exceed its MFA threshold on receipt of the assistance. To provide this confirmation, the enterprise is required to keep a written record of the amount of MFA subsidy it has received and the date/s when it was received. The written record must be kept for at least three years beginning with the date on which the MFA subsidy was given. This will enable it to respond to future requests from public authorities on how much MFA it has received and whether it has reached the cumulative threshold. Although, public authorities are not required to remind beneficiaries of this as part of the process of giving an MFA subsidy, it would be good practice to do so to ensure a greater awareness of the requirements under the Act.
- 7.19. The gross value amount of the assistance should be calculated as the gross cash amount or on the basis of the gross cash equivalent. Further details on how to do this calculation are included in [Annex 3](#).
- 7.20. Where the exact amount of the MFA subsidy is not clear, the gross value amount should be the maximum possible amount of the subsidy that may be given, or the maximum reasonable estimate. If a lower amount of subsidy is in

fact given, the public authority may choose to issue a revised MFA confirmation setting out the actual amount of subsidy given, so that the enterprise may be eligible to receive more MFA from other sources during the three-year period.⁵³

SPEI Assistance (SPEIA)

- 7.21. The Act provides an exemption from the majority of the subsidy control requirements for low value SPEI subsidies. Public spending on SPEI may be considered to constitute SPEI Assistance (SPEIA) if the total amount of “minimal or SPEI financial assistance” given to an enterprise does not exceed £725,000 over the applicable period.
- 7.22. The same rules and procedures (including cumulation) apply to SPEIA as to MFA, except that the cap over three years is the higher value of £725,000.

Mergers and acquisitions

- 7.23. There are certain rules governing how a subsidy given as MFA or SPEIA is to be treated following a merger or acquisition of an enterprise. This is to ensure that subsidies awarded as MFA or SPEIA are properly attributed to successor enterprises for the purposes of determining how much support an enterprise has received through the exemptions and hence compliance with the relevant financial thresholds.
- 7.24. Where all or part of an enterprise that received MFA or SPEIA (enterprise A) is transferred to another existing enterprise (enterprise B), then any minimal or SPEI financial assistance given to enterprise A prior to the transfer is to be treated, on and after the transfer, as if given to enterprise B. As such, enterprise B is to be treated by public authorities as though it was the recipient when determining whether a relevant threshold, with regards to giving MFA or SPEIA, has been exceeded.
- 7.25. If only part of enterprise A is to be transferred, then the proportionate part of the MFA or SPEIA is to be treated as given to enterprise B. This should also

⁵³ This would not apply where the offer or commitment from the public authority itself constitutes the subsidy. For example, a loan guarantee constitutes a subsidy from the outset, even if it is never drawn upon, and therefore the value of the MFA or other subsidy would not change. Conversely, an example of when a revised confirmation letter may be appropriate is if the subsidy was to reimburse a certain proportion of a beneficiary's spending on a particular project up to a cap of £200,000, and in fact its level of spending only triggered £120,000 of reimbursement.

be applied when determining whether a relevant threshold, with regards to giving MFA or SPEIA, has been exceeded in respect of the successor enterprise.

- 7.26. A 'proportionate part' refers to the part of the assistance that can be fairly attributed to the activities carried on by the part of the undertaking that is transferred. However, if this is not reasonably practicable to apply then it should be proportionate to the value of the part of the undertaking that is transferred.
- 7.27. Any minimal or SPEI financial assistance attributed to enterprise B, or to a successor enterprise, is to be treated as lawfully given to enterprise B, or to a successor enterprise, as if it had been given in accordance with the requirements for giving MFA or SPEIA.

Example

Scenario 1: In year 1 enterprise A receives £300,000 MFA

In year 2 enterprise B acquires enterprise A.

Post-acquisition, enterprise B is treated as if it had received £300,000 MFA and will need to keep a record for 3 years from the date the payment was made to enterprise A. In year 3 a public authority intends to make a payment of £50,000 to enterprise B, this will breach the MFA threshold and hence only £15,000 can be paid as MFA; the remaining £35,000 will fall outside the exemption and will be subject to the substantive requirements of the Act.

Scenario 2: In year 1 enterprise A receives £300,000 MFA.

In year 2 enterprise B acquires 25% of enterprise A.

An estimate of the proportionate value of MFA could be based on the total value of the transfer to enterprise B. This is equivalent to £75,000 MFA (25% of £300,000). In year 3, a public authority intends to make an MFA payment of £50,000 to Company B. This can be paid as MFA as the total MFA received by enterprise B in the three years will be £125,000 and is within the MFA threshold.

Scenario 3: In year 1 enterprise A and enterprise B each receive £300,000 MFA.

In year 2, the two enterprises merge and become enterprise C.

Enterprise C is treated as if it had received £600,000 MFA. It is not eligible to receive more MFA, but the existing MFA is still considered to have been given lawfully.

8.

Chapter 8: Other Exemptions

Overview of chapter

- 8.1. In addition to MFA and SPEIA (see [Chapter 7](#)), there are a number of further exemptions to the subsidy control requirements, either wholly or in part, in relation to subsidies and subsidy schemes given in exceptional circumstances or for certain reasons (including national security and financial stability).

Emergencies

Natural disasters and other exceptional circumstances

- 8.2. A subsidy given to compensate for the damage caused by natural disasters, or other exceptional circumstances, is not subject to the substantive subsidy control requirements. However, the transparency requirements will however apply as normal.
- 8.3. Natural disasters include occurrences such as earthquakes, avalanches, landslides, floods, and wildfires of natural origin. They will have a significant economic impact or cost, or a serious or ongoing effect on local services and infrastructure, or both.
- 8.4. Other exceptional circumstances may include rare events and circumstances which are not straightforward to foresee, and which have a significant economic impact, such as a major pandemic. Exceptional circumstances cannot be purely economic in nature: a stock market crash would not be an exceptional circumstance for this purpose.
- 8.5. A public authority may fully compensate a recipient for the damage caused by natural disasters or other exceptional circumstances; it should not provide additional funding over and above the costs of repairing this damage under this exemption.
- 8.6. An exemption under this section can only apply if the Secretary of State publishes a notice declaring that it applies in respect of a specified natural disaster or exceptional circumstance. Notices of this kind will be published on

gov.uk. Public authorities seeking to use this exemption should therefore [contact the BEIS Subsidy Control team](#) as early as possible.

National or global economic emergencies

- 8.7. The prohibitions and other requirements (as set out in [Chapter 5](#) on prohibitions and other requirements and [Chapter 7](#) on SPEI) do not apply to a subsidy given to respond to a national or global economic emergency. Such subsidies must be given on a temporary basis for these exemptions to apply.
- 8.8. Subsidies given in relation to national or global economic emergencies remain subject to the requirements of assessment against the subsidy control principles and the energy and environment principles, and the transparency requirements.
- 8.9. National or global economic emergencies are rare and difficult to foresee. They are likely to entail sudden and severe disruption to global economic trading relationships, or systemic risks to critical national economic or financial infrastructure. By way of example, the threats to essential supply chains that were posed by workforce absences during the Covid-19 pandemic in 2020 are an example of a national and global economic emergency of the sort envisaged under this section.
- 8.10. In contrast, an economic recession, by itself, or a global economic recession more generally, does not constitute a national or global economic emergency. Subsidies given during economic recessions, or with the purpose of lessening the effects of an economic recession, must be assessed against the subsidy control principles as normal.
- 8.11. A subsidy for the purpose of addressing a national or global economic emergency may only be granted by a public authority if the Secretary of State has published a notice to the effect that the exemption under the Act applies in respect of a specified emergency. Notices of this kind will be published on gov.uk. Public authorities seeking to use this exemption should therefore contact the [BEIS Subsidy Control](#) team as early as possible.

Other exemptions

National security

- 8.12. Subsidies given to safeguard national security are not subject to the subsidy control requirements. This is without prejudice to UK's international commitments.

Bank of England monetary policy

- 8.13. Subsidies given by or on behalf of the Bank of England in pursuit of monetary policy activities are not subject to the subsidy control requirements.

Financial stability

- 8.14. The subsidy control requirements do not apply to the giving of a subsidy, or the making of a subsidy scheme, so far as a financial stability direction, as given by the Treasury, so provides.
- 8.15. A financial stability direction can provide that specified subsidy control requirements do not apply to:
- the giving of a specified subsidy or making of a specified subsidy scheme, or
 - the giving of subsidies, or the making of subsidy schemes, of a specified description.
- 8.16. In both instances, the Treasury may give a financial stability direction only if it considers it appropriate for prudential reasons. This includes where it is necessary for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier or ensuring the integrity and stability of the financial system of the UK.
- 8.17. The Treasury must consult the Bank of England before giving a financial stability direction. The Treasury may only give a financial stability direction that relates only to a subsidy given, or subsidy scheme made, by the Bank of England only if the Bank of England has requested the Treasury to give the direction.
- 8.18. The Treasury must publish the financial stability direction in whatever manner it deems appropriate and lay this direction before Parliament.
- 8.19. However, if the Treasury considers that publication and laying before Parliament would have the effect of undermining the purpose for which the direction is given, the Treasury may delay the carrying out of those steps until it is satisfied that to do so would not have that effect.

Tax measures

- 8.20. Subsidy control requirements do not apply to a tax measure which is otherwise permitted under Article 413 of the [TCA]. Article 413 of the [TCA] clarifies that the provisions of the [TCA] should not be construed as affecting the rights and obligations of the United Kingdom under any tax convention it

has entered into. This exception covers conventions for the avoidance of double taxation or any other international agreement or arrangement relating wholly or mainly to taxation. Article 413 of the [TCA] also specifies that the subsidy control provisions do not prevent the adoption, maintenance or enforcement of any non-discriminatory measure that aims at ensuring the equitable or effective imposition or collection of direct taxes or any measure which distinguishes between taxpayers who are not in the same situation.

- 8.21. Therefore, to the extent that that a measure is permissible under Article 413 of the TCA it will not be subject to provisions such as the requirement to comply with the subsidy control principles, or the duty to include information in the subsidy database. or any other duties or requirements provided for under the Subsidy Control Act.
- 8.22. Article 413 of the TCA also specifies that the subsidy control requirements do not to prevent the adoption, maintenance or enforcement of any non-discriminatory measure that aims at ensuring the equitable or effective imposition or collection of direct taxes or any measure which distinguishes between taxpayers who are not in the same situation.

Large cross-border or international cooperation projects

- 8.23. A public authority does not need to consider the subsidy control principles when giving a subsidy if it is given in the context of a large cross-border or international cooperation project.
- 8.24. The public authority giving the subsidy must, however, be satisfied that the benefits of the project will have spill over effects beyond the United Kingdom, the relevant sector, and the beneficiary of the subsidy. This is also true of authorities making a subsidy scheme under which such subsidies could be given.
- 8.25. Large cross-border or international cooperation projects may include those for transport, energy, the environment or research and development and first development projects to incentivise the emergence and deployment of new technologies, excluding their manufacture. 'Cross-border' refers to projects between the UK and another country; this does not include projects between different regions or nations of the UK. An example of such a project might be an international RD&I project in relation to climate change mitigation funded by all members of the G7, including the UK.

9.

Chapter 9: Legacy Subsidies and Permitted Modifications

Overview of the chapter

- 9.1. This chapter details how the regime applies to specific categories of subsidy and subsidy scheme made before the commencement of the regime. Subsidies given under these 'legacy' schemes are partially exempt from the subsidy control requirements under the conditions set out below.
- 9.2. The chapter also explains the category of modification that may be made to a subsidy or subsidy scheme (including a legacy scheme). These are known as 'permitted modifications' and may be made to a subsidy or subsidy scheme without consideration of the subsidy control requirements, as is set out below.

Legacy Subsidies

- 9.3. Legacy subsidies and schemes are exempt from the subsidy control requirements, with the exception of the transparency obligations, in most cases.⁵⁴
- 9.4. Legacy schemes are schemes that were in existence prior the Act coming into force. Legacy schemes, and the award of subsidies under them (known as legacy subsidies), may continue indefinitely if provided for under the original terms of the scheme. The regime does not require these schemes be assessed against the subsidy control principles or comply with the other subsidy control requirements contained in the Act.
- 9.5. The rules on transparency contained in the Act, however, will still apply to subsidies given under legacy schemes where those subsidies are given once section 48 of the Act comes into force. An exception to this is where these subsidies are subject to the provisions of Part IV or Annex 2 of the WTO

⁵⁴ Transparency obligations in the Act do not apply to legacy subsidies subject to the provisions of Part IV or Annex 2 of the WTO Agreement on Agriculture, or relating to trade in fish and fish products, or the audio-visual sector (see section 48(2)) or to subsidies given in accordance with Regulation 1370/2007 (see section 48(1)(b))

Agreement on Agriculture, or relating to trade in fish and fish products, or the audio-visual sector as the transparency requirements do not apply to these.

- 9.6. Regulation (EC) No 1370/2007 of the European Parliament and of the Council on public passenger transport services by rail and by road⁵⁵ should be treated as a legacy scheme. Subsidies given in accordance with this regulation are therefore also exempted from the subsidy control requirements. Unlike other legacy subsidies, the transparency requirements also do not apply.
- 9.7. In addition, the Act does not apply to subsidies given before it came into force.⁵⁶ Because the date a subsidy is given is considered to be the date on which a binding commitment is made (see [Chapter 2](#)), this means that the actual transfer of funds (or subsequent instalments) could take place after the Act comes into force and therefore not be subject the Act.

Permitted Modifications

- 9.8. Modifications made to a subsidy which has already been given, or a subsidy scheme which has been made, are generally to be treated as in the same way as a new subsidy or subsidy scheme. Public authorities are therefore required to complete a new assessment against the subsidy control principles and to ensure that all the obligations of the regime are complied with, as they would when making a new subsidy or subsidy scheme.
- 9.9. However, certain modifications defined as ‘permitted modifications’ may be made to a subsidy or scheme without the public authority being required to carry out a further assessment against the subsidy control principles. These will allow public authorities to make a limited range of changes to a subsidy without undue delay.
- 9.10. These rules apply both to subsidies given and schemes made after the Act comes into force, and to changes to legacy subsidies and schemes.
- 9.11. There are six types of permitted modifications that apply to subsidies in scope of the Act. These are modifications which:
- provide for an increase in budget of a subsidy or subsidy scheme of up to 25%;
 - provide for an extension of a subsidy scheme of up to six years;
 - are administrative in nature;

⁵⁵ This is retained EU law and applies in England, Scotland and Wales.

⁵⁶ This is not an explicit provision in the Act but follows by virtue of it not applying retrospectively.

- are made to a legacy subsidy or legacy scheme that are consistent with its terms;
- are made to allow a subsidy or subsidy scheme to operate effectively and/ or avoid deficiencies arising from the withdrawal of the UK from the European Union; or
- are made under Regulation (EC) No 1370/2007 (on public transport services by rail and road), which is retained EU law in the UK.

9.12. The following sections elaborate further on each of these categories of permitted modification in turn.

Modifications for an increase of up to 25% of the original budget of a subsidy or subsidy scheme

- 9.13. An increase of up to 25% of the budget of a subsidy or scheme, when compared to the original budget, will be considered a permitted modification.
- 9.14. Public authorities should be aware that the 25% figure represents a cumulative total compared to the original budget of the subsidy or subsidy scheme. Once a subsidy or subsidy scheme has been modified to increase its budget by 25%, subsequent increases in budget will not benefit from the exemption from the regime afforded to permitted modifications. Instead, the scheme as modified will be subject to the full obligations of the subsidy control regime.
- 9.15. Where the budget for a subsidy or scheme is provided as a range of potential subsidy awards (instead of or as well as a cap on total spending), the threshold is calculated from 25% of the maximum potential award.

Example

A subsidy scheme has been made which provides grants of up to £800,000 per beneficiary. After the first year of the scheme's operation, an increase of 20% is made to the maximum amount that can be awarded through the scheme to £960,000. After a further year, another increase in the budget provides for an increase of 5% to the maximum amount that can be awarded under the scheme, when compared to the original budget. The maximum amount that can be awarded under the scheme is now £1m.

Both changes to the budget can be made as a permitted modification as the maximum amount that can be awarded under the scheme has remained at, or below, the 25% threshold, when compared to the original budget of the scheme. Further changes which increase the maximum amount that can be

awarded under the scheme will need to be made as the creation of a new subsidy scheme, with a full assessment against the subsidy control principles and following all the procedures required by the regime for that subsidy scheme.

- 9.16. The 25% increase is to be calculated by reference to the financial year in which the permitted modification of that subsidy or scheme was made. This means that where the subsidy or subsidy scheme was originally designed to incorporate a ratchet mechanism that allows the budget to increase year on year (for example, to account for inflation), the baseline figure for calculating the 25% increase is the financial year in which the permitted modification is being made.
- 9.17. Decreases in overall budget or maximum subsidy may be made. In general, these can be considered changes within the parameters of the existing subsidy or scheme and there is therefore no need to consider them as a permitted modification. Public authorities may also choose to treat any reduction in budget or subsidy size as a permitted modification.
- 9.18. The budget does not mean the maximum proportion of project costs that can be funded by subsidy (as opposed to the beneficiary or private investors); this is also known as the subsidy intensity or intervention rate. If the scheme is amended to increase the maximum proportion of costs that can be funded by subsidies under the scheme, this should be assessed as a new subsidy.

Modifications for an extension of subsidy schemes by up to six years

- 9.19. An extension to the life of a subsidy scheme by up to six years will be considered a permitted modification. Similar to the 25% increases in the budget of a subsidy or subsidy scheme discussed above, the six-year figure represents a cumulative total from the original end date of the subsidy scheme. Extensions that move the end date of the subsidy scheme beyond six years will not be classed as a permitted modification and will need to be considered as a new subsidy scheme.
- 9.20. This is only relevant where the scheme has a specified end date. If there is no end date, a scheme can continue indefinitely – although it is strongly advised that schemes do include an end date in order to ensure proportionality (see chapter 3).
- 9.21. Where legacy schemes were created under an EU State aid General Block Exemption Regulation, the end date of the scheme should be taken to be the expiry of the relevant Regulation.

Administrative modifications

- 9.22. Administrative modifications to a subsidy or subsidy scheme are a permitted modification. Public authorities will need to determine whether a modification is administrative in nature, according to whether or not the modification introduces substantive changes to the subsidy or subsidy scheme.
- 9.23. A typical example of an administrative modification would be a situation in which a subsidy scheme is passed from one public authority to another without further substantive changes being made to the subsidy scheme itself.
- 9.24. Administrative modifications must be changes that would not have had a negative effect on the likelihood of the scheme's compliance with the substantive subsidy control requirements, including the principles assessment.
- 9.25. Changes to scheme rules that would unambiguously reduce the distortive impact can always be made. As with reductions to the budget, in many cases these will be possible within the existing parameters of the scheme and will therefore not need to be considered as permitted modifications at all. For example, lowering the maximum proportion of a project that can be funded through subsidy as opposed to beneficiaries or private investors. However, in some cases, it may be preferable to make these changes as an administrative modification.

Modifications to a legacy subsidy/scheme

- 9.26. This type of permitted modification covers modifications which are made to legacy subsidies or legacy subsidy schemes that are consistent with the terms of the subsidy or scheme that were in effect before the Act came into force. Where a scheme was originally created within a legal framework (e.g., under the EU State aid General Block Exemption Regulation), the terms of the framework should be considered as the terms that were in effect, as applicable.
- 9.27. Additionally, modifications to subsidies or schemes that seek to deal with the UK's withdrawal from the EU are permitted:
- any failure of a subsidy or scheme to operate effectively; or
 - any deficiencies related to a subsidy or scheme
 - These could include references to EU law that no longer apply or references to EU Institutes that no longer fulfil a function with respect to the subsidy or scheme.

Making a permitted modification

- 9.28. As stated above, public authorities do not need to conduct an assessment of the modified subsidy or scheme against the principles. Permitted modifications are also not subject to other obligations set out under the Act, including referring a subsidy or scheme to the Subsidy Advice Unit.
- 9.29. The types of permitted modification set out above are not mutually exclusive, and more than one type of modification may be made to the same subsidy or scheme. Notably, legacy schemes may be subject to administrative modifications, extensions, and increases in budget, as well as the specific category of legacy scheme modifications.
- 9.30. Public authorities must comply with the transparency requirements and upload any relevant modifications made to a subsidy or subsidy scheme to the subsidy database as set out in Chapter 12.
- 9.31. Nothing set out in the above guidance on making a permitted modification to a subsidy or subsidy scheme is intended to override or replace the existing obligations public authorities have to manage spending responsibly and transparently, such as the Local Government Transparency Code or the HM Treasury Managing Public Money guidance. They should abide by the requirements set out above in conjunction with fulfilling the other statutory obligations they have in that regard.
- 9.32. Please refer to [Chapter 12](#) for more details on the transparency requirements of the Subsidy Control Act as they apply to unmodified subsidies and subsidy schemes.

10.

Chapter 10: Subsidies and Schemes of Interest & Subsidies and Schemes of Particular Interest

Overview of the chapter

- 10.1. The subsidy control regime empowers public authorities to give subsidies that are tailored to their needs, subject to compliance with the subsidy control requirements. A small proportion of these subsidies will have greater potential to lead to undue distortion and negative effects on competition or investment within the UK, or on international trade or investment. The subsidy control regime therefore includes two distinct categories of subsidy or subsidy scheme that have been identified as having greater potential to lead to distortive effects: Subsidies or Schemes of Interest (SSoI), and Subsidies or Schemes of Particular Interest (SSoPI).
- 10.2. SSoI have a potential risk of leading to undue distortion and negative effects on competition or investment in the UK, or on international trade or investment. Public authorities intending to give or make SSoI will be able to voluntarily refer their assessment of the subsidy or scheme to the Subsidy Advice Unit (SAU) for review prior to the subsidy or scheme being granted or made, respectively. The SAU will have discretion on whether to accept SSoI referred to them and [have published guidance](#) on the principles they will follow when making such decisions.
- 10.3. SSoPI have a higher potential risk of leading to undue distortion and negative effects on competition or investment in the UK, or on international trade and investment. Public authorities intending to give or make SSoPI will be required to refer them to the SAU before they do so. As per requirements in the Act, the SAU will evaluate all SSoPI referred to them by public authorities.
- 10.4. With regard to Schemes of Interest, or of Particular Interest, referral to the SAU will take place before the scheme is made. Subsidies given under a scheme are not subject to further referral – referral will occur once, at scheme level.

SSoPI/SSoI Definitions

- 10.5. The government has set out in regulations the criteria for identifying SSoPI and SSoI. These regulations set out the monetary thresholds and other criteria that will determine whether a subsidy is a SSoI or SSoPI:
- Subsidies given outside of sensitive sectors are SSoPI if they are over £10 million or if they are over £1 million and they cumulate to more than £10 million with other related subsidies given over the previous 3 financial years. See below for more details on cumulating subsidies.
 - Subsidies granted in sensitive sectors will be SSoPI if they are over £5 million or if they are over £1 million and they cumulate to more than £5 million with other related subsidies given over the previous 3 financial years. See below for more details on cumulating subsidies.
 - Other subsidies of between £5 million to £10 million (individually or cumulatively) which do not meet the SSoPI criteria are SSoI.
- 10.6. For subsidies given in cash, their values will be determined by reference to the Gross Cash Amount. For subsidies that are not in cash, their amount will be determined by reference to the Gross Cash Equivalent of the subsidy ([See Annex 3](#)).

Subsidy schemes

- 10.7. Referral to the SAU will take place once, at scheme level, before the scheme is made. Subsidies granted under the terms of a Scheme of Interest or of Particular Interest may therefore be granted without further referral. Cumulation rules also apply to subsidy schemes.
- 10.8. If a subsidy scheme allows the giving of a subsidy which meets the definition of a Subsidy of Particular Interest then that scheme will be defined as a Scheme of Particular Interest. Similarly, a subsidy scheme which allows the granting of a Subsidy of Interest is defined as a Scheme of Interest. Subsidies must not be granted under the terms of a scheme of particular interest that is currently under review by the SAU.

Example

A public authority designs a subsidy scheme. The amount a single enterprise can receive under the scheme over three financial years is capped at £12 million. The scheme is a scheme of particular interest and must be referred to

the SAU before it is made - regardless of whether there are any active plans to grant an enterprise the maximum amount up to the scheme cap.

Example

A public authority establishes a subsidy scheme. The amount a single enterprise can receive under the scheme over three financial years is capped at £6 million. The public authority should consider where subsidies given under the scheme could cumulate with any other related subsidies. The public authority should also check whether the scheme is in practice targeted at one or more sectors of interest (see below). If it is, it is a scheme of particular interest and must be referred to the SAU. If it is not, it is a scheme of interest as the amount falls between £5 million and £10 million and may be referred to the SAU.

Sensitive Sectors

10.9. Subsidies granted in certain sectors have greater potential to be distortive, even at lower monetary values – there is therefore a strong rationale for the assessment of these subsidies against the subsidy control principles to be subject to SAU review. Subsidies granted to enterprises operating in these sectors are accordingly subject to a lower monetary threshold for being considered SoPI.

10.10. A subsidy for economic activities within the following SIC⁵⁷ codes is deemed as affecting sensitive sectors:

- Manufacture of basic iron and steel and of ferro-alloys (SIC code 24.10)
- Aluminium production (SIC code 24.42)
- Copper production (SIC code 24.44)
- Manufacture of motor vehicles (SIC code 29.10)
- Building of ships and floating structures (SIC code 30.11)
- Manufacture of motorcycles (SIC code 30.91)
- Manufacture of air and spacecraft and related machinery (SIC code 30.30)
- Production of electricity (SIC code 35.11)

⁵⁷ Standard Industrial Classification of economic activities (SIC) – a means of classifying a particular economic activity for statistical purposes, published by the Office of National Statistics. See: <https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic>

- 10.11. This list will be periodically reviewed as international economic conditions change.
- 10.12. Public authorities should use the Office of National Statistics resources to determine whether an activity falls into one or more of the SIC codes set out above⁵⁸.
- 10.13. To determine whether the lower sensitive sectors thresholds apply, public authorities should consider whether the subsidy is given to an enterprise which is engaged in a specified economic activity or an 'input activity'. An 'input activity' is defined to mean an economic activity that involves the provision of goods or services for the purpose of a specified economic activity.
- 10.14. If the enterprise is engaged in either type of activity public authorities should consider whether subsidy confers, directly or indirectly, an economic advantage on an enterprise which is engaged in a specified economic activity in relation to that activity. It is not sufficient, therefore, that the recipient is merely engaged in an input activity or a specified economic activity. The effects of the subsidy must also be considered (see also further guidance in [Annex 1](#)).
- 10.15. General schemes which are open to a broad range of enterprises, including those that would otherwise be caught by the sensitive sectors test, are exempt from the lower thresholds for sensitive sectors. To use this exemption public authorities must ensure that the criteria or conditions that determine whether an enterprise is eligible to receive a subsidy under the scheme are based on objective factors - such as the size of enterprise, number of employees, or geographic location – that do not favour enterprises engaged in specified economic activities or input activities over others.

Rescue Subsidies

- 10.16. Rescue subsidies are those granted to ailing or insolvent enterprises which may need the subsidy urgently or go irrevocably out of business. Further details on them can be found in [Chapter 5](#).
- 10.17. Rescue subsidies will be Subsidies of Interest and not Subsidies of Particular Interest, to account for the fact that their granting is more likely to be time sensitive, given that the enterprise in question may collapse in the absence of

⁵⁸<https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007>

the timely provision of the subsidy. Public authorities should, in principle, refer such subsidies to the SAU wherever feasible, however.

Restructuring Subsidies

- 10.18. Restructuring subsidies can be granted by public authorities to ailing or insolvent enterprises that have prepared a credible restructuring plan based on realistic assumptions that look to return the enterprise to long term viability within a reasonable period of time. The authority must be satisfied that the subsidy contributes to an objective of public interest, such as preventing job losses, or that the circumstances are exceptional. Such subsidies to a deposit taker or insurance company are prohibited unless specific conditions are met (see [Chapter 5](#)).
- 10.19. The enterprise should not have been granted a restructuring subsidy within the last five years unless the authority is satisfied that the circumstances that have led to the need for a subsidy were unforeseeable and not caused by the subsidy's beneficiary.
- 10.20. Such a subsidy should be granted to a small or medium-sized enterprise or an enterprise where the owners, creditors or investors have significantly contributed to the cost of restructuring or have a contractual obligation to do so.
- 10.21. Restructuring subsidies will be SoPI and public authorities intending to grant such subsidies will be required to refer them to the SAU.

Relocation subsidies

- 10.22. Subsidies explicitly conditional on the beneficiary relocating are prohibited except where they meet certain conditions and comply with the subsidy control principles (See the section on '[relocation of activities](#)' in Chapter 5 for further information).
- 10.23. Relocation subsidies of over £1m are Subsidies of Particular Interest. All other relocation subsidies are Subsidies of Interest.

Voluntary referral of SSols

- 10.24. Public authorities have the choice whether to refer SSol to the SAU. Public authorities should consider the following features to help with this decision. Where present, public authorities are encouraged to refer the SSol in question.

There is evidence of a subsidy race

- 10.25. Public authorities as part of their assessment against the principles (see [Chapter 3](#))] should have assessed whether another public authority is offering a subsidy for the same or similar investment and whether the beneficiary cannot accept both offers. Where public authorities have identified this feature in an SSol, they are encouraged to refer the SSol in question.

The same, or substantially similar, subsidy has been repeatedly made to the same recipient

- 10.26. Through the assessment against the Subsidy Control Principles (see [Chapter 3](#)) and application of the [cumulation rules](#) the public authority should have considered whether the recipient had previously received any subsidies that are the same or substantially similar to the subsidy in question.
- 10.27. When public authorities are identifying whether a previous subsidy to the same recipient is substantially similar they may wish to consider the whether objectives, projects, costs or activities supported by that subsidy are the same or substantially similar to the SSol in question. Where the public authority has identified that one or more of these features are substantially similar then the public authority may conclude that previous subsidy is substantially similar to the SSol in question.
- 10.28. If the public authority has identified any subsidies that are the same or substantially similar to the SSol in question they are encouraged to refer the SSol.

The nature of the cost being covered

- 10.29. As part of the assessment against the Subsidy Control Principle the public authority should have considered the [nature of the costs being covered](#).
- 10.30. Where the public authority has identified that the SSol in question covers 'day-to-day' costs they are encouraged to refer the SSol.

The breadth of beneficiaries and the selection process

- 10.31. As part of the assessment against the Subsidy Control Principle the public authority should have considered [whether the subsidy is available to a broad set of recipients](#) or whether they are only made available to one enterprise.
- 10.32. Where the public authority has identified that the SSol in question is only available to one enterprise they are encouraged to refer the SSol.

Market power and concentration

- 10.33. Public authorities giving or making SSols should have assessed the market characteristics and level of concentration in the relevant markets [see Annex 2 '[market characteristics](#)' and Annex 2 '[Concentration](#)' section].
- 10.34. Where public authorities have identified that the recipient of the subsidy in question has a degree of market power or the subsidy relates to a concentrated market then the public authority is encouraged to refer the SSol.

How to apply cumulation rules

- 10.35. To ensure that all subsidies that should qualify as a Subsidies of Interest or Subsidies of Particular Interest are correctly categorised as such, cumulation rules will apply.
- 10.36. Under these rules, several smaller subsidies that are granted to the same recipient will count (or “cumulate”) together towards the monetary thresholds when the subsidies are genuinely related. Two related subsidies to the same enterprise would greatly increase the second subsidy’s potential to cause substantial distortion.
- 10.37. Where subsidies cumulate above the Subsidies of Particular Interest threshold, there will be a minimal value for referral of £1m. This means that public authorities will only have to refer a subsidy⁵⁹ if the subsidy in question exceeds £1m, as well as meeting the relevant cumulated threshold. A worked example of how the minimum value for referral operates is below.

Example

Enterprise X (in a non-sensitive sector) receives a subsidy from public authority A to a value of £9.5m.

This subsidy is a Subsidy of Interest (between £5m and £10m for non-sensitive sectors). The public authority can choose to refer the subsidy to the SAU, but this is not mandatory.

Enterprise X then receives a subsidy of £700,000 from public authority B that meets the conditions for cumulation with the subsidy from public authority A. The £700,000 subsidy, as it is below the minimum value for referral of £1 million, would not be subject to mandatory referral to the SAU, though since it

⁵⁹ r a subsidy scheme if the scheme in question allows subsidies that exceed £1m.

cumulates with a related subsidy to over £5m it is a Subsidy of Interest, so referral to the SAU would be encouraged.

Enterprise X then receives a subsidy of £1.4m from public authority C that meets the conditions for cumulation with the other two subsidies.

This subsidy is a Subsidy of Particular Interest because the individual subsidy of £1.4m is greater than the minimum value for referral of £1m and cumulates to a total of £11.6m (above the £10m SSoPI threshold). When undertaking a review, the SAU will review only the £1.4m subsidy, and not any of the previous subsidies.

10.38. Public authorities should cumulate previous subsidies for the purpose of determining whether the latest subsidy is a Subsidy of Interest or Subsidy of Particular Interest when they are:

- given to the same enterprise by any public authority; and
- are for the same or substantially same project, costs or activities; and
- are for the same or substantially the same specific policy objective under Principle A of Schedule 1; and
- have been given within the last three financial years

10.39. As best practice the public authority should, before giving a subsidy:

- check with the recipient of the subsidy whether they have received a subsidy from any source in the last three financial years;
- establish what project, cost or activity this subsidy funded;
- determine the policy objective any previous subsidy was designed to achieve

10.40. All of these conditions must be met before the new subsidy is deemed to cumulate with the previous subsidy.

Example

A public authority intends to grant a £1.5m subsidy to an enterprise. The enterprise informs the public authority that it has received £4.5m from another public authority for the same project and for a substantially similar policy objective. This subsidy was received two financial years ago. The £1.5m subsidy accordingly cumulates with the £4.5m subsidy above the £5m threshold. and, as such, the £1.5m subsidy is a subsidy of interest and may be referred to the SAU. The public authority should check whether the activity

being subsidised is in a sector of interest – if it is, then the £1.5m subsidy is a subsidy of particular interest and must be referred to the SAU.

- 10.41. When making a subsidy scheme a public authority should consider cumulation rules for the purposes of Subsidies of Interest and Subsidies of Particular Interest. Any scheme that does not include limits on the maximum amount of a subsidy that may be given under the scheme to a single enterprise, or which does not account for related subsidies that the enterprise may have received in the past, is likely to be a Scheme of Interest or a Scheme of Particular Interest.
- 10.42. A scheme (that is not related to a sensitive sector) in which a public authority may, for example, give the same enterprise given multiple awards of £8m to the same project for the same policy purpose is a Scheme of Particular Interest, since the enterprise in question may receive subsidies under the scheme well in advance of £10m.
- 10.43. On the other hand, a scheme which include caps on the maximum amount of subsidy a single enterprise may receive under it (i.e., of £4m over 3 financial years), and which includes parameters that require the public authority to check with the enterprise whether they have recently received related subsidies (and in the event they have, reduces the scheme cap accordingly so that the subsidy amount is always below the Subsidy of Interest/Subsidy of Particular Interest threshold), is not likely to be a Scheme of Interest or a Scheme of Particular Interest.
- 10.44. The terms of a scheme should, as best practice, allow for the same checks that a public authority is advised to make before giving a standalone subsidy; see above.
- 10.45. Public authorities must estimate the maximum likely value of any award under a tax scheme. This value will be the basis for determining whether the Scheme of Particular Interest threshold is exceeded for a particular tax scheme or not.
- 10.46. Only subsidies given as part of the same tax measure within the applicable period of 3 financial years will constitute a 'related subsidy' which will count towards the cumulative thresholds for SSoPI. As an example, a tax scheme that is estimated to have a maximum likely value of £4m per recipient per financial year would be a SSoPI as the value would cumulate to £12m over the applicable period.

10.47. All tax schemes are defined as Schemes of Interest (where they do not meet the SSoPI criteria) so that if there is significant potential for cumulation with other subsidies given outside of the tax scheme for a similar purpose, a referral to the SAU can be made on a voluntary basis.

How to apply economic advantage and input activities test

10.48. Economic activities may span several different sectors – some of these may be subject to frequent international trade disputes, while others may not. Similarly, modern enterprises often operate across multiple sectors, while a subsidy may be targeted at only one of these sectors. Therefore, the sector that a business primarily operates in will not always neatly correspond to the activity that is being subsidised, and vice versa.

10.49. The input activities test captures the potential of a subsidy to create substantial distortions within a sensitive sector, even where it relates to an activity which does not sit within the scope of the specific SIC codes in question.

10.50. To apply the test, public authorities should consider the objectives, and potential impact of the subsidy in question alongside the activities of the recipient. The public authority should use the information obtained in the principles assessment (see [Chapter 3](#)) to identify which activities are being subsidised. As a general rule, where an activity featured within the principles assessment it is likely to be the activity that was being subsidised.

How to apply exemption for general schemes

10.51. Schemes which are not designed to be specific to certain enterprises or sectors, and that are open to a broader range of enterprises, including those that would otherwise be caught by the sensitive sectors test, are not subject to the lower thresholds for sensitive sectors.

10.52. Schemes that are based on objective factors – such as the size of enterprise, number of employees, or geographic location – that do not favour enterprises engaged in specified economic activities or input activities over others are not considered schemes to which the sectors of interest thresholds should apply.

Example

A public authority has made a scheme that is designed to be open to enterprises with less than 500 employees that are also based in the public authority's area. The public authority estimates that some applicants will undertake activities in a SIC codes that place them within the sectors of interest

definition. The scheme is capped at £6m per recipient. Because the scheme is designed on the basis of several objective factors (employee numbers plus geographic area) it is not considered to be specifically targeted at sectors of interest and is therefore a scheme of interest (and not of particular interest). It may be referred to the SAU but is not required to be referred.

Other exemptions

10.53. Certain types of subsidies and schemes are exempt from referral to the SAU under the Act. These are listed below:

- any subsidy given under a subsidy scheme;
- any subsidy given under a streamlined subsidy scheme (also known as a streamlined route);
- any subsidy given as minimum financial assistance under section 36 of the Act;
- any subsidy given as an SPEI assistance under section 38 of the Act;
- any subsidy given in respect of a natural disaster or other exceptional circumstance under section 44 of the Act;
- any subsidy given to respond to a national or global economic emergency under section 44 of the Act;
- any subsidy given for the purpose of safeguarding national security;
- any subsidy given by or on behalf of the Bank of England in pursuit of monetary policy;
- any legacy and/ or withdrawal agreement subsidy given in line with section 48 of the Act;
- in accordance with section 49 of the Act, any subsidy given where the giving of that subsidy is permissible by virtue of Article 413 of the Trade and Cooperation Agreement (taxation);
- any subsidy given in the context of a large cross-border or international cooperation project, granted in line with section 50 of the Act;
- a subsidy given as far as a financial stability direction provides in section 47 of the Act, or which is otherwise given by the Treasury or the Bank of England only for the reasons mentioned in section 47(3) of the Act (that is, the protection of investors, depositors, policy-holders or persons to whom a fiduciary duty is owed by a financial services supplier, or ensuring the integrity and stability of the financial system of the United Kingdom).

10.54. Additionally, the Secretary of State may give a direction that a specified subsidy or subsidy scheme is exempt from referral.

11.

Chapter 11: Subsidy Advice Unit referrals

Overview of the chapter

- 11.1. The Subsidy Advice Unit (SAU) has been established within the Competition and Markets Authority to publish independent reports on those subsidies or schemes that have a greater potential to lead to undue distortion and negative effects on competition or investment in the UK, or on international trade or investment and to monitor and report on the subsidy control regime as a whole. This chapter sets out the process for referral to the SAU and explain the SAU's monitoring role.
- 11.2. The SAU has [published separate guidance](#) regarding its functions, setting out in more detail how the SAU will give effect to its statutory obligations. Public authorities are encouraged to refer to the SAU's guidance when making referrals or engaging with the SAU.
- 11.3. The SAU does not provide general advice to public authorities outside of its specific role in relation to referrals, as set out in this chapter. For general support and guidance, please contact the subsidy control case work teams as listed in [Chapter 1](#).

Does a subsidy or subsidy scheme require referral to the SAU?

- 11.4. When developing a subsidy or subsidy scheme, public authorities should consider if their subsidy or scheme meets the definition of a SSoPI or SSol.
- 11.5. Where a subsidy or scheme meets the definition of a SSoPI, public authorities must refer their assessments of those subsidies or schemes to the SAU for independent evaluation before the subsidy is given. In this case, the referral to the SAU will be a mandatory referral. Public authorities must wait until the publication of the SAU's report, and the expiry of a short cooling-off period, before the subsidy or scheme is given or made.

- 11.6. Where a subsidy or scheme meets or has the potential to meet the definition of a SSol, public authorities may make a voluntary referral to the SAU for a report, but they do not have to do so. The SAU has discretion to decide which SSols it will review but may choose to produce a report where an SSol is considered to particularly merit one in line with the SAU's published prioritisation principles.⁶⁰
- 11.7. If the subsidy or scheme is neither a SSoPI nor a SSol, public authorities will not be able to request a report from the SAU regarding the subsidy or subsidy scheme.
- 11.8. The Secretary of State may also direct a public authority to refer a subsidy or scheme to the SAU, referred to as a "call-in direction". Please refer to the [section below](#) for more information on these referrals.

Referral to the SAU

- 11.9. The following sections explain the process for making referrals to the SAU under the mandatory, voluntary, call-in, and post-award referral procedure. The subsidy control casework teams listed in [Chapter 1](#) can help public authorities to determine whether a referral might be necessary or advisable.
- 11.10. Public authorities are also encouraged to engage with the SAU ahead of any formal referral request in order to discuss the request and ensure the referrals process proceeds smoothly. When making a request to the SAU, public authorities should use the SAU's online Public Authority Portal and refer to the [SAU's guidance](#).

Responding to a mandatory referral

- 11.11. Once a public authority has sent its request for a report to the SAU, the SAU will consider the request to ensure it complies with the requirements. In order to make a valid request, the public authority will need to have provided the SAU with all the information specified in the "[Information to include when making a mandatory subsidy referral request](#)" section below.
- 11.12. Within five working days, the SAU will notify the public authority to confirm whether or not the request complies with the requirements for a mandatory referral.⁶¹

⁶⁰ For more information, please refer to the [SAU's guidance](#).

⁶¹ The time limit for the SAU to respond to a request for review begins on the day that they receive the request.

- 11.13. In the event the request does not comply with the requirements and so the SAU does not proceed to a full evaluation of the authority's assessment of the subsidy or scheme, the SAU will provide reasons to the public authority as to why it has decided not to prepare a report. Where the SAU has decided not to prepare a report because it has received incomplete information, a public authority will be required to resubmit their request for a referral. The SAU will once again have five working days to inspect the request and notify the public authority as to whether or not it has been accepted.
- 11.14. Where the SAU accepts a request, it will have a further 30 working days to evaluate the assessment of the proposed subsidy or scheme and publish a report.⁶² If necessary, this reporting period may be extended by agreement between the SAU and the public authority.
- 11.15. The SAU may also ask the Secretary of State to direct that the reporting period be extended unilaterally.⁶³ In this case the SAU will provide the Secretary of State with an explanation of the exceptional circumstances which justify the extension. The Secretary of State will provide a copy of the direction to the SAU and the public authority.
- 11.16. Before the end of the reporting period, and in accordance with the requirements of the Act, the SAU will publish their report which will be available to the public free of charge. They will also provide a copy of the report to the public authority and the Secretary of State as soon as reasonably practicable.

Cooling-off period

- 11.17. Once the SAU has issued its report in respect of a subsidy or subsidy scheme, public authorities must not give that subsidy or make that subsidy scheme until the expiry of a short cooling-off period. Ordinarily, the cooling-off period will be five working days from the publication of the SAU's report, after the end of which, the public authority may give the subsidy or make the subsidy scheme.⁶⁴
- 11.18. The Secretary of State may direct that the cooling-off period is extended where they consider that the SAU's report has identified 'serious deficiencies'

⁶² The reporting period for the SAU to produce a report under the mandatory referral process begins with the day on which the notice that a request has been accepted is given to the public authority.

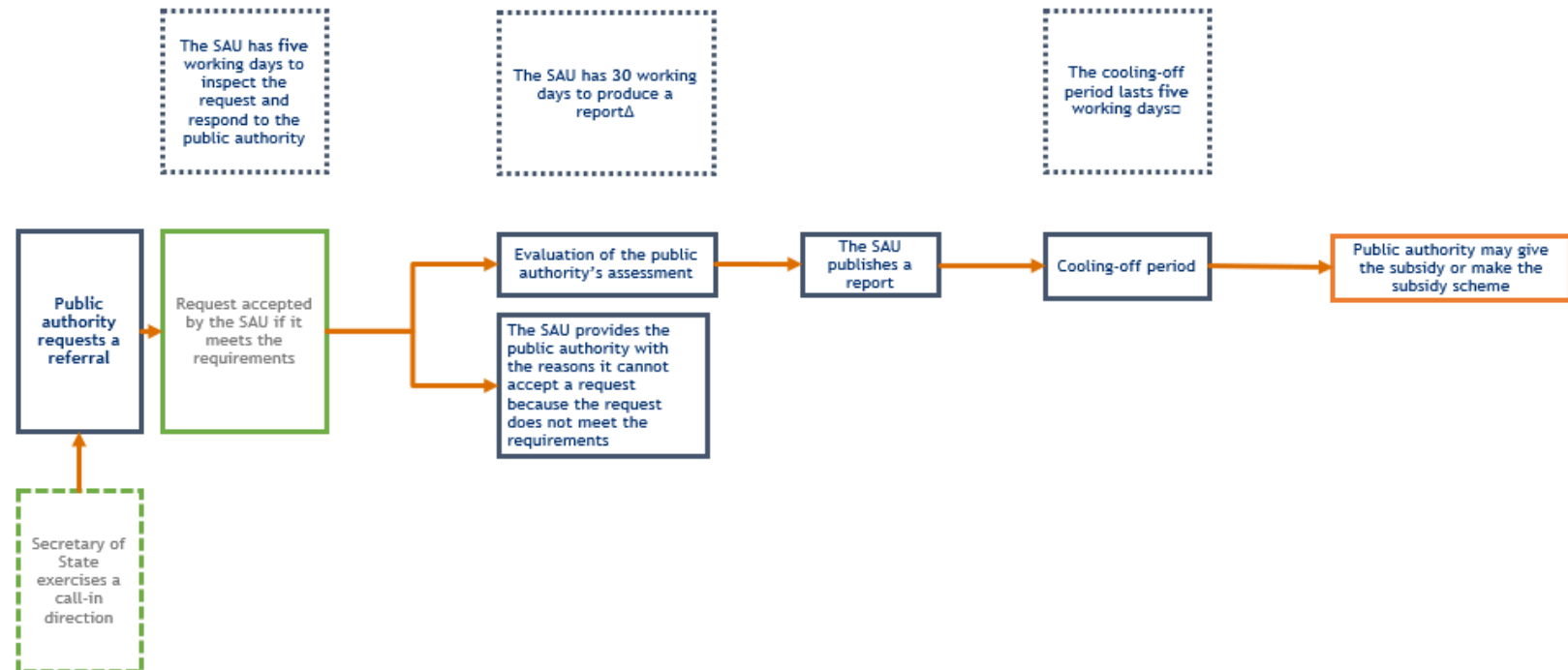
⁶³ An extension of the reporting period that is directed by the Secretary of State will not exceed 40 working days beyond the end of the original reporting period.

⁶⁴ If the SAU has not published a report on the proposed subsidy or scheme within the reporting period, the public authority may give the subsidy or make the subsidy scheme on the day after the reporting period expires.

in the public authority's assessment of the subsidy or subsidy scheme. In such cases the Secretary of State will publish the direction, send the direction to the SAU and notify the public authority.⁶⁵

⁶⁵ Any extension to the cooling-off period will not exceed 30 working days from the day on which the cooling-off period would otherwise end.

Mandatory referral process diagram



^Δ The reporting period may be extended by agreement between the SAU and the public authority or by direction of the Secretary of State

[□] The cooling-off period may be extended by direction of the Secretary of State

Responding to a voluntary referral

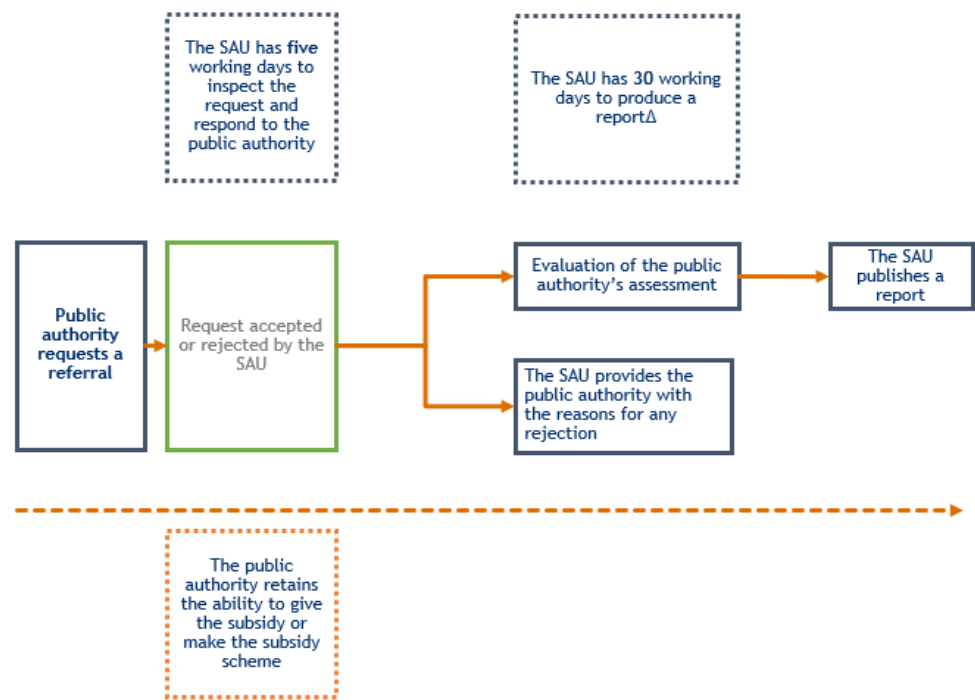
- 11.19. In order to make a voluntary referral request, public authorities must provide the SAU with all the information specified in the [“information to include when making a subsidy referral request”](#) section below.
- 11.20. Once a public authority has sent its request to the SAU, the SAU will decide whether or not to proceed to a full evaluation. The SAU has discretion as to whether or not to publish a report on a subsidy or scheme that has been voluntarily referred. In making its decision on whether to prepare a report, the SAU will refer to its published prioritisation principles.⁶⁶
- 11.21. Before the end of five working days, the SAU will respond to the public authority to confirm whether or not the request has fulfilled the requirements and been accepted by the SAU for evaluation and report.⁶⁷
- 11.22. If the SAU decides not to provide a report it will provide its reasons to the public authority as to why the request has not been accepted. Where the SAU accepts a request for review, it will have 30 working days to evaluate the assessment of the proposed subsidy or scheme and publish a report.⁶⁸ Alternatively, a different reporting period may be agreed between the SAU and the public authority, or, if necessary, the reporting period may be extended by agreement between the SAU and the public authority.
- 11.23. Public authorities retain the ability to give a subsidy or make a subsidy scheme throughout the process of voluntary referral to the SAU. Where a public authority decides to give the relevant subsidy or subsidy scheme before the publication of the SAU’s report, the SAU will have discretion to decide if it wishes to publish a report.

⁶⁶ For more information on the SAU’s prioritisation principles, please see the [SAU’s guidance](#)

⁶⁷ The time limit for responding to a request for review begins on the day that the request is received.

⁶⁸ The reporting period for the SAU producing a report under the voluntary referral process begins with the day on which the notice that a request has been accepted is issued.

Voluntary referral process diagram



^Δ The reporting period may be extended by agreement between the SAU and the public authority

Call-in direction

- 11.24. The Secretary of State may also direct that a public authority requests a report from the SAU in relation to a proposed subsidy or subsidy scheme. The Secretary of State has discretion to decide to call in a subsidy or scheme if they consider that there is a risk that the proposed subsidy or scheme would fail to comply with the subsidy control requirements or pose a risk of negative effects on competition or investment within the United Kingdom. The Secretary of State may also issue a call-in direction in relation to any proposed SSol.
- 11.25. Where the decision is made to call in a subsidy or a scheme, the Secretary of State will send the call-in direction to the public authority and the SAU. The subsidy will then be subject to a mandatory referral and the public authority will be required to comply with the process set out above before the subsidy is given or the scheme is made.
- 11.26. Where a call-in direction is made following a voluntary referral to the SAU, the voluntary referral will be treated as a mandatory referral from the point the direction is made. In this case the full procedure for concluding the SAU's review will depend on the stage that the referral has reached within the SAU's reporting process already, as follows:
- 11.27. Where a report has not already been published and the reporting period has not already expired, the review will be treated according to the full mandatory referral process set out above.
- 11.28. Where a report has not already been published but the reporting period has already expired, the process will be altered such that the reporting period is 10 working days from the public authority being notified that the request for review has been accepted.
- 11.29. Where a report has already been published, but the subsidy or scheme has not already been given or made, the public authority will need to comply with the requirements specified under the "[Cooling-off period](#)" section above.



Post-award referral

11.30. The Secretary of State may also refer a subsidy or scheme to the SAU after the subsidy has been given or the subsidy scheme has been made. The Secretary of State may opt to make a post-award referral where they consider:

- there has, or may have been, a failure to comply with the subsidy control requirements, or
- there is a risk of negative effects on competition or investment within the United Kingdom.

11.31. Where the Secretary of State decides to make a post-award referral, the referral must be made before the end of 20 working days from the subsidy or scheme being entered on to the subsidy database.

11.32. At the same time as making the referral, the Secretary of State must direct the public authority to provide the SAU with the following material:

- any assessment carried out by the public authority before the subsidy or scheme was made as to whether the subsidy or scheme would comply with the subsidy control requirements;
- any evidence relevant to that assessment;
- where no such assessment can be provided, the reasons for the absence of that assessment; and
- any information that the public authority has failed to enter on to the subsidy database.

11.33. Public authorities must provide this information to the SAU within 20 working days of the direction being received from the Secretary of State.

11.34. Within 30 working days of receiving the information from the public authority, the SAU will publish a report on the subsidy or scheme in question.⁶⁹ This reporting period may be extended by agreement between the SAU and the public authority. In such cases the SAU will publish a notice detailing the extension.⁷⁰

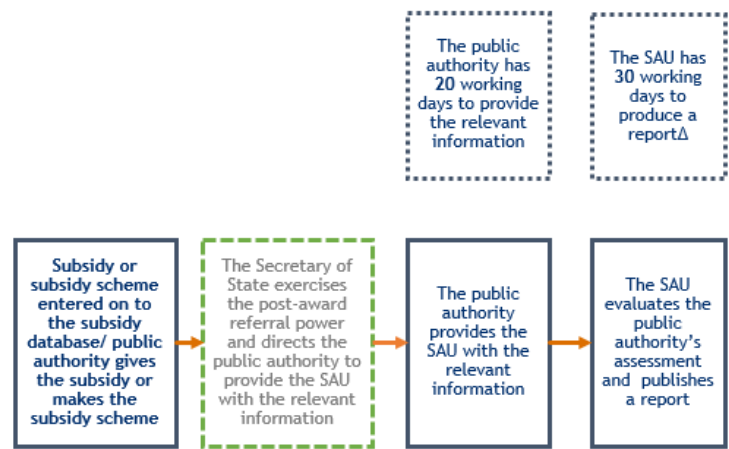
⁶⁹ In the event that no information has been received from the public authority, a report will be produced by the SAU within 30 working days of the expiry of the time limit for the public authority to provide the SAU with the relevant information.

⁷⁰ The SAU may also ask the Secretary of State to unilaterally extend the reporting period. In this case the SAU will inform the Secretary of State of the exceptional circumstances which justify such an

- 11.35. Where a public authority has not undertaken an assessment of the subsidy or scheme's compliance with the subsidy control requirements, or otherwise does not provide the assessment to the SAU, the SAU's report will simply confirm that fact.
- 11.36. An interested party may apply for a review of the subsidy or scheme to the Competition Appeal Tribunal within one calendar month of the publication of the SAU's report. For more information on this, please refer to [Chapter 13](#).

extension. This extension will not surpass 40 working days from the original reporting period. In such cases, days falling in between the SAU asking for an extension and the Secretary of State directing an extension will not contribute to the reporting period.

Post-award referral process diagram



^Δ The reporting period may be extended by agreement between the SAU and the public authority or by direction of the Secretary of State

Information to include when making a subsidy referral request

11.37. Public authorities are required to include the following information when making their requests to the SAU:

- an explanation of why the public authority considers that the subsidy or subsidy scheme would meet the definition of a SSoPI or SSol;^{71/72}
- the assessment which the public authority conducted on the subsidy or scheme's compliance with the subsidy control requirements;
- any evidence relevant to making that assessment; and,
- all the information that the public authority would be required to upload to the subsidy database.⁷³

11.38. Public authorities should also be aware that the SAU has issued its own guidance on the referral process, which provides more direction on the information the SAU would expect to see provided to them when making a referral request. Public authorities are encouraged to refer to the SAU's guidance when making a referral request. For more information, please refer to the [SAU's published guidance](#).

11.39. For more information regarding the information a public authority is required to upload to the subsidy database, please refer to [Chapter 12](#).

Content of the SAU's report

11.40. The contents of the SAU's report will include an evaluation of the relevant public authority's assessment as to whether the proposed subsidy or scheme would comply with the subsidy control requirements. This evaluation will take into account any effects of the proposed subsidy or scheme on competition or investment within the United Kingdom.⁷⁴

11.41. The SAU's report may also include advice about how the public authority's assessment might be improved, or advice about how the proposed subsidy or scheme may be modified to ensure compliance with the subsidy control requirements. This advice is non-binding.

11.42. Where the SAU identifies deficiencies in the design or assessment of a subsidy or scheme, a public authority may wish to use the non-binding advice provided by the SAU

⁷¹ Whichever definition is relevant to the referral process under consideration.

⁷² Where a public authority has been directed to request a referral to the SAU by the Secretary of State, but the public authority does not consider that the proposed subsidy or scheme meets the definition of a SSoPI or SSol, the public authority may opt to provide the SAU with an explanation of why the proposed subsidy or scheme would not meet those definitions.

⁷³ As defined under section 34 of the Subsidy Control Act 2022 and in relevant regulations.

⁷⁴ Where a public authority has not provided an assessment of the SSoPI or SSol to the SAU, the SAU is only required to report this fact along with any reasons the public authority has provided for not producing the assessment.

to appraise its decision to give a subsidy or make a subsidy scheme. A public authority may also choose to take any further action that it considers necessary based on the SAU's advice.

- 11.43. Public authorities should be aware that the SAU's reports are published, with copies provided to the Secretary of State. Should a public authority's decision regarding the giving of a subsidy or making of a scheme be challenged in the Competition Appeal Tribunal (see [Chapter 13](#)), the SAU's report will therefore be available to both the Tribunal and any interested parties to review.

The SAU's monitoring function

- 11.44. In addition to its referral functions, the SAU will also monitor and review the effectiveness of the operation of the Act and its impact on competition and investment within the United Kingdom. The SAU will publish its monitoring reports at five yearly intervals and lay the reports before Parliament.⁷⁵
- 11.45. To carry out this function the SAU may need to gather information from public authorities, as well as from particular businesses and individuals. It may seek to obtain such information through informal requests, but it will also have the power to issue a notice requiring a person to provide information or documents, for the purpose of assisting it in carrying out its monitoring function. For more information on the SAU's monitoring functions and associated information-gathering powers, please refer to the [SAU's guidance](#).

⁷⁵ The first two monitoring reports will be published at three yearly intervals from commencement of the regime.

12.

Chapter 12: Transparency

Overview of chapter

- 12.1. Subsidy transparency is a fundamental part of the UK's subsidy control regime. Most importantly, subsidy transparency is needed to enable interested parties to view subsidies to decide if they want to challenge a subsidy before the Competition Appeal Tribunal where the interested party believes the subsidy may not meet the subsidy control requirements. This promotes open and fair competition across the UK's internal market.
- 12.2. In addition, transparency promotes accountability and enables the public to see how public money is spent. This is expected to result in better subsidy design and improved policy decisions.
- 12.3. The transparency rules require public authorities to upload details of both subsidy schemes and subsidy awards to the subsidy database. Transparency obligations apply regardless of any information that a beneficiary believes is commercially sensitive. Public authorities should consider reminding potential subsidy beneficiaries of the transparency obligations in this context. This will ensure that beneficiaries are aware that any information which they may consider commercially sensitive may have to be uploaded.
- 12.4. Public authorities have a statutory duty to upload details of the subsidies they provide. In addition, the sooner a subsidy is made transparent the sooner the limitation period on judicial review on subsidy control grounds will finish – that is, the sooner the public authority uploads details of a subsidy, the sooner there will be legal certainty that the subsidy cannot be challenged on subsidy control grounds. Public authorities may therefore wish to make accurate database entries for subsidies well in advance of the statutory deadline.

The subsidy database

- 12.5. BEIS maintains a subsidy database which public authorities must use to meet their subsidy transparency obligations. The database is free to use and is accessible to the public. The subsidy database has two portals.
- 12.6. First, the Search Portal is accessible to the public and can be used by any person to see subsidy information. The website can be found on the GOV.UK website:

<https://www.gov.uk/guidance/view-subsidies-awarded-by-uk-government> or directly at <https://searchforuksubsidies.beis.gov.uk/> Anyone can access and view the Search Portal; users do not need a login.

- 12.7. The second portal is the Manage UK Subsidies Portal which is used by public authorities to upload subsidy information. The website can be found at: <https://manageuksubsidies.beis.gov.uk/>
- 12.8. Public authorities will need to create an account to use the Manage UK Subsidies Portal. This will enable users to upload subsidy schemes and awards. To gain access, users must email subsidydatabase@beis.gov.uk.
- 12.9. Public authorities and other intermediaries which may wish to upload subsidy information on behalf of another authority will require a specific type of access to the database and should contact the [BEIS subsidy control team](#) about gaining this access. The public authority giving the subsidy remains responsible for the accuracy of the data upload.
- 12.10. The Manage UK Subsidies Portal includes a help tab to guide public authorities through the process of uploading subsidy information.
- 12.11. BEIS will maintain the database and review the data uploads where appropriate. Public authorities may be contacted if BEIS where information appears to be missing or the incorrect. However, public authorities remain ultimately responsible for the accuracy of the data they upload.
- 12.12. For any practical queries about how to create an account or difficulties uploading subsidies, please contact subsidydatabase@beis.gov.uk
- 12.13. This guidance refers to the subsidy transparency rules and how they interact with the subsidy database. The subsidy database is undergoing further development to ensure it can host the necessary information. This guidance will be regularly updated to reflect the latest version of the subsidy database.

Subsidy Schemes

- 12.14. Public authorities must upload the detail of every subsidy scheme they make, unless an exemption in Part 3 of the Act applies.⁷⁶ Subsidy awards given under schemes only need to be uploaded if they exceed £100,000. Public authorities should note that not all groupings of subsidies will be considered subsidy schemes under the Act – notably, MFA and SPEIA are not given under subsidy schemes.

⁷⁶ See [Chapter 2](#) for the definition of a subsidy scheme.

- 12.15. Subsidy schemes must be uploaded within three months of the public authority's confirmation of its decision to make the scheme.
- 12.16. The three-month deadline for the uploading of subsidy schemes applies to all subsidy schemes, no matter which form the subsidies take (unless an exemption to the transparency requirements applies – see Chapter 8). A tax subsidy scheme must therefore also be uploaded within three months of the confirmation of the decision to make the tax subsidy scheme.
- 12.17. As set out in chapter 2, the date that a scheme is made should be the date on which the scheme's rules were formally confirmed and put into operation by the public authority. There may be multiple dates when the scheme could reasonably be said to be made, in which case the public authority will have the flexibility to choose the most appropriate.

Example

A public authority designs a competition for which beneficiaries can apply for funding. The scheme is designed in January 2023 and funding for the scheme is obtained in March 2023. On 1 May 2023, the scheme opens for applications. The earliest payments of subsidy awards are made on 1 July 2023. The public authority may decide that the relevant confirmation of the decision to make the scheme is 1 May 2023, when the scheme opened for applications. The deadline for uploading the scheme to the database is therefore 1 August 2023. Alternatively, the public authority may also have a good argument for saying that the confirmation of the decision to make the scheme was at an earlier date on 1 March 2023, when the design of the scheme had been confirmed and funding was obtained, in which case they would need to upload the scheme on 1 June 2023.

- 12.18. Schemes may be uploaded on the subsidy database before any subsidies are given under them. When a subsidy scheme is uploaded to the database, it will automatically be allocated a subsidy control number (SC number). This SC number will operate as the unique reference for that subsidy scheme entry. If the subsidy scheme is later modified and uploaded again, it will have a new, unique SC number. The SC number refers to subsidy schemes only. Subsidy awards given under a subsidy scheme will be associated with the SC number of that scheme.

Subsidy Awards

- 12.19. Subsidy awards can be made as part of a scheme, or as standalone subsidy awards. The process for uploading subsidy awards varies between whether that subsidy award is standalone or part of a scheme.

- 12.20. All standalone subsidy awards must be uploaded, and there is no threshold below which there is an exemption from the obligation to upload an award (unless an exemption to the transparency requirements applies, as set out in Chapter 8).
- 12.21. Where a subsidy award is part of a scheme, the scheme must have first been uploaded to the database and received its unique SC number. Subsidy awards can then be uploaded to the database with a link to the scheme, choosing either the scheme name or SC number to ensure it is the correct scheme. Subsidy awards must be uploaded to the database individually or in bulk.
- 12.22. The threshold for the uploading of subsidy awards given under schemes is those exceeding £100,000. Any amounts above this threshold must therefore be uploaded to the database. This is not cumulated per beneficiary but applies per subsidy award.
- 12.23. However, where a subsidy award given under a scheme is divided into smaller payments which each fall below the £100,000 threshold, the relevant amount to be uploaded remains the full amount of the subsidy award, as will likely be specified in an offer letter or other relevant documentation.

Example

A beneficiary is awarded a £240,000 subsidy award, paid in three instalments of £80,000. All three £80,000 payments will need to be uploaded to the database (as a single subsidy award upload of £240,000) because it is part of one subsidy award which exceeds the £100,000 threshold.

- 12.24. Subsidy awards do not cumulate for the purposes of transparency, even if there are multiple public authorities contributing to one project or one beneficiary.

Example

A cultural heritage facility receives subsidy awards from multiple public authorities at the local and national level as MFA. The local authority provides £75,000. The Department for Digital, Culture, Media and Sport (DCMS) also provides a £150,000 subsidy award. Only the DCMS subsidy award must be uploaded. Even though the project or beneficiary receives £225,000, the local authority award is below the £100,000 threshold.

- 12.25. All subsidy awards, with the exception of subsidy awards in the form of tax measures, must be uploaded within three months of the confirmation of the decision to give the subsidy award. For more information on determining this date, please see [Chapter 2](#).
- 12.26. A database entry may be made following the confirmation of the decision to give the subsidy award but before the subsidy award is paid out.

Subsidy awards in the form of tax measures

12.27. Where a subsidy award is given in the form of a tax measure, the upload deadline is one year beginning with the date of the tax declaration. In most cases, a tax declaration will be the tax return. As stated above, all schemes must be uploaded within three months, including tax subsidy schemes. Tax subsidy awards, if given under a scheme, will then be linked on the database to the tax subsidy scheme.

Information to be uploaded

12.28. The Government will introduce regulations specifying what information must be uploaded with regard to subsidy schemes and subsidy awards. This applies to all subsidy schemes and awards but will contain certain exceptions for Minimal Financial Assistance (MFA) and Services of Public Economic Interest Assistance (SPEIA) award uploads, which will have fewer information requirements (see section on [MFA and SPEIA](#) below).

12.29. The UK has international subsidy reporting obligations which will be included in the forthcoming regulations. This guidance outlines some of the information requirements, including those international obligations. However, further information requirements may be added by the final regulations and this guidance will be updated accordingly.

12.30. Where subsidy information must be uploaded but the database cannot host that information, public authorities are required to provide on the database the location of such information, for example by uploading that information to a publicly accessible website and providing a link to that website on the subsidy database. Any further information required, such as subsidy scheme eligibility, must be available on this linked website.

12.31. SPEI subsidies above £100,000 must be uploaded to the database⁷⁷ and are subject to the requirements set out in the paragraphs below.

12.32. **Subsidy scheme** entries must include:

- The name of the subsidy scheme (see [Chapter 2](#) for the definition of a scheme).
- The name of the public authority that has made the subsidy scheme. Although other public authorities or an intermediary may upload subsidies on behalf of the public authority making the scheme, the name on the database should always be the public authority that has made the scheme.
- The amount budgeted for the scheme and maximum eligible amounts. Public authorities will need to show the budget for the entire scheme as well as the maximum individual

⁷⁷ Unlike conventional standalone subsidy awards, standalone SPEI subsidies do not have to be uploaded to the database if they do not exceed £100,000.

subsidy amount that may be given under the scheme. Where an accurate figure for the budget or maximum award is not known at the point at which the scheme is made, the public authority may give an estimate. However, the estimates for subsidy awards will need to be updated when the accurate figure is known.

- The form the subsidy may take under the scheme. Schemes may allow for one or multiple forms of subsidy, for example subsidy in the form of grants, subsidised loans or equity.
- The sector(s) for which the subsidy scheme is available. Public authorities must indicate which sectors are eligible for subsidies under the scheme. This may be several sectors or even all sectors. The subsidy database provides a dropdown menu of economic sectors.
- A subsidy scheme entry must include a description of the subsidy scheme. This appears on the database as a free text box. This description must cover at a minimum:
 - The terms and conditions for eligibility to receive a subsidy under the scheme. An explanation of what kind of eligibility criteria the scheme uses to determine whether a beneficiary may receive a subsidy under the particular scheme.
 - Time limits or other conditions attached to the use of the subsidy scheme.
 - The categories of beneficiary eligible to receive subsidies under the scheme. A public authority will need to explain what categories of beneficiaries are eligible for subsidy awards under the scheme. For example, a Research and Development (R&D) scheme for small businesses.
 - The basis for calculating the subsidy. A public authority will need to show how it has calculated the subsidy amount that can be given under the scheme, including any relevant conditions relating to the proportion of the project that can be funded by subsidy (as opposed to the beneficiary itself or private investors).
 - Whether the subsidy scheme is subject to an exemption in Sections 43 – 51 of the Subsidy Control Act.
 - Any other relevant information which the public authority must upload according to The Subsidy Control (Subsidy Database Information Requirements) Regulations 2022
- Legal basis – an entry will need to include the legal basis for the scheme.⁷⁸ For example, some subsidy schemes have a legal basis in an Act of Parliament such as the Industrial Development Act 1982.
- Policy objective – the public authority must provide the policy objective or objectives of the subsidy scheme. This should reflect the specific policy objective or objectives in Principle A of the subsidy control principles.

⁷⁸ This does not mean that a public authority must provide legally privileged advice it has received on the lawfulness of the subsidy

- Purpose of the subsidy – the database allows for multiple subsidy purposes to be selected from a dropdown menu when adding a subsidy scheme. This will then determine which subsidy purpose can be selected when adding an award under that scheme.
- Date of the confirmation of the decision to make the scheme. A public authority will need to indicate the date it confirmed the decision to make the scheme. This is separate from the upload date, which is added by the database automatically.
- Duration of the subsidy scheme. The database enables a public authority to indicate the start and end date for a scheme. The database allows public authorities to leave the end date blank thereby indicating that the scheme does not have an end date; however, this will make it challenging to demonstrate consistency with the subsidy control principles (see [Chapter 3](#)).
- Indication of whether the subsidy scheme is a Scheme of Interest or Particular Interest. (See [Chapter 10](#) for the relevant definitions)
- Indication of whether the SAU has published a report on the subsidy scheme.

12.33. Although the database facilitates most of the information a public authority must upload, it may not be able to host all the relevant information a public authority wishes to upload. Therefore, the database allows public authorities to provide the location of such information, for example, the inclusion of a link to a public authority's website where any further information can be added and accessed by the public. A public authority may wish to ensure the URL link is a permalink.

12.34. When a public authority has uploaded a subsidy scheme it may upload subsidy awards associated with that scheme. Subsidy awards may be added individually or in bulk.

12.35. **Subsidy awards** given under schemes must include:

- The amount of the subsidy award. Where an accurate figure for a subsidy award is not known at the point at which the subsidy is awarded, the public authority may give an estimate. However, the estimates for subsidy awards will need to be updated when the accurate figure is known. For subsidies given in the form of tax measures, the award amount can be provided in a range.
- Name of the subsidy award beneficiary.
- Name of the public authority giving the subsidy. This may be different from the name of the public authority which made the scheme.
- Form of the subsidy award. For example, whether the subsidy award is a grant, loan, use of facilities or other subsidy.
- Size of the beneficiary. The database will provide a menu to indicate the size of the beneficiary in terms of numbers of employees.

- A unique identifier for the beneficiary. This could be the charity number, VAT number or Company's registration number (Companies House number) (where applicable).
- Whether the subsidy award is for goods, services or both. The database will allow the public authority to tick whichever applies.
- Location of the economic activity being subsidised. The database provides a dropdown list of UK regions e.g., London or the North West (and allows multiple regions to be selected).
- Sector to which the subsidy award is given. The database provides a dropdown list of 21 economic sectors. Multiple sectors may be selected.
- Policy objective. As with the upload of a scheme, the public authority will need to provide the policy objective(s) of the subsidy award as reflected in Principle A of the subsidy control principles.
- Purpose of the subsidy. A subsidy award entry will need to have an associated subsidy purpose which can be chosen from a dropdown menu on the database. The dropdown menu will have been narrowed down by the subsidy scheme under which the subsidy award is given.
- The legal basis of the subsidy award.
- Date of the confirmation of the decision to give the subsidy award. This is separate from the uploaded date of confirmation of the decision to make a scheme.

12.36. There are more information requirements necessary for standalone subsidy awards. Standalone awards do not have the protection of being given under a published scheme and therefore face a greater need for transparency.

12.37. **Standalone subsidy awards** must include all of the information requirements for subsidy awards listed above. In addition, standalone subsidy awards must include a description of the subsidy with the same requirements as exist for a description of a subsidy scheme, in so far as they are applicable to standalone awards.

- This description should include time limits or other conditions attached to the subsidy award, the basis for calculating the standalone award, whether the subsidy award is subject to an exemption in section 43 – 51 of the SCA or any other relevant information which should be uploaded in accordance with The Subsidy Control (Subsidy Database Information Requirements) Regulations 2022.
- Indication of whether the subsidy award is a Subsidy of (Particular) Interest. A public authority must indicate whether the subsidy award is a Subsidy of Interest or a Subsidy of Particular Interest.
- Indication of whether the SAU has published a report on the subsidy award following a referral.

Minimal Financial Assistance (MFA) and SPEI Assistance (SPEIA)

- 12.38. Although subsidies given as MFA and SPEIA do not have to apply the subsidy control principles, the £100,000 transparency threshold still applies per MFA or SPEIA award. Therefore, any awards of MFA or SPEIA which exceed £100,000 must be uploaded to the database.
- 12.39. As will be outlined in the regulations, MFA and SPEIA awards do not face the same reporting obligations as conventional subsidy awards and schemes. Instead, MFA and SPEI Assistance transparency need only include the following:
- Name of the public authority providing MFA or SPEI Assistance
 - Amount of the award
 - Name of the beneficiary of the award
 - Unique identifier for the beneficiary, such as charity number, VAT number or company registration number (where applicable).
 - Date of confirmation of decision to give the award (separate from the upload date, which is automatically generated by the database)
- 12.40. The database will allow for the bulk uploading of MFA and SPEIA awards in the same way it does for bulk uploads of subsidy awards under a published scheme. To facilitate this bulk uploading, a public authority will be able to upload an 'MFA and SPEIA grouping which will provide a unique reference number, like an SC number for subsidy schemes. Although this will not be a subsidy scheme, it will act in the same way as a scheme for database functionality purposes, allowing a public authority to upload MFA and SPEIA awards in bulk under a single grouping.
- 12.41. As is the case with all subsidy database uploads, if the public authority wishes to provide more detail than the minimum required by legislation, it may do so.

Streamlined Routes and primary public authority schemes

- 12.42. Streamlined Routes (referred to Streamlined Subsidy Schemes in the Act) are a particular type of subsidy scheme, made by Government for the benefit of public authorities. Transparency requirements apply to Streamlined Routes and they will therefore appear on the database alongside other subsidy schemes and will have associated subsidy awards.
- 12.43. As set out in chapter 2, primary public authorities can also create schemes for the use of other priority.
- 12.44. Where a public authority chooses to use a Streamlined Route or primary public authority scheme to give multiple subsidies, it may choose to upload a grouping to the database. This grouping will be associated with a given Streamlined Route or a primary

public authority scheme, and will enable a public authority to group subsidy awards together for administrative and transparency purposes. This is not a statutory requirement of the Subsidy Control Act but it will be clearer for the public and more efficient for public authorities to upload a Streamlined Route Programme if multiple subsidy awards are given by one public authority under a Streamlined Route or primary public authority scheme.

12.45. A Streamlined Route or primary public authority scheme grouping should include the following information:

- Name of the Streamlined Route or primary public authority scheme grouping
- Name of the public authority granting subsidies under the Streamlined Route or primary public authority scheme grouping
- The name of the Streamlined Route or primary public authority scheme that the grouping is under
- Which category or categories of the Streamlined Route that the programme uses for delivering subsidies (as applicable)
- The budget of the grouping of subsidy awards using the Streamlined Route or primary public authority scheme.

12.46. Subsidy awards given under Streamlined Routes or primary public authority schemes must be uploaded to the database if the award exceeds £100,000, as with all other schemes. The existence of the groupings means that public authorities can bulk upload subsidy awards in the same way awards can be bulk uploaded to other schemes.

Maintaining the database entry

12.47. Public authorities are responsible for the accuracy of the information they are required to upload. Inaccurate entries may mean the duty to upload subsidy information has not been satisfied.

12.48. Subsidy information must be maintained on the database for at least six years, starting with the date of upload. If the duration of the subsidy scheme is longer than six years, the duty to maintain the entry continues for as long as the duration of the subsidy scheme; this means that public authorities with long-running schemes should check the accuracy of the information on the database as the scheme comes to an end. The subsidy database will automatically generate the upload date which determines the start date of the six-year period. Subsidy information will not be automatically deleted following this six-year period and public authorities are encouraged to leave this subsidy information on the database.

12.49. Public authorities should regularly check that the information they have uploaded is accurate. This includes checking that the links provided continue to take the user to the appropriate information uploaded outside the database, where this is applicable. A

beneficiary of a subsidy award may also wish to check the accuracy of a database entry which relates to them. If the beneficiary believes that the database entry is inaccurate it may wish to contact the responsible public authority to correct the information. BEIS will also check the database and may contact public authorities where subsidy information appears to be misleading, wrong or out of date.

Modifications to subsidies

- 12.50. Subsidy schemes and subsidy awards may be modified. Public authorities are obliged to upload permitted modifications (see chapter 9) to the database as required.⁷⁹ If the changes made go beyond the permitted modifications and therefore constitute a new subsidy or scheme, this must also be uploaded to the database.
- 12.51. If the permitted modification increases the value of an MFA subsidy, SPEIA or SPEI, or a subsidy given under a scheme, from below £100,000 (i.e. exempt from transparency requirements) to above £100,000, it must be uploaded to the database.
- 12.52. The deadline for uploading modifications mirrors the original upload deadlines. That is, within three months of the date of modification for both schemes and tax schemes. The deadline for modifications to tax awards is 12 months from the date of modification.
- 12.53. Certain permitted modifications to subsidies or schemes must be uploaded to the database. Please refer to the section on permitted modifications for details on when a modification must be uploaded to the database.
- 12.54. Modifications in relation legacy subsidies relating to agriculture, fish and fish products, or the audio-visual sector do not need to be uploaded to the database.

Record keeping

- 12.55. While the Act makes no specific provision about record keeping, public authorities and beneficiaries should keep subsidy records for a number of years, taking into account the requirement to keep the subsidy database up to date for at least six years, and the six-yearly reporting cycle for the SAU's monitoring report, for which the SAU may seek information on specific subsidies and schemes (see [Chapter 11](#)).

⁷⁹ Some administrative modifications may not change any of the required information on the database, in which case there is no need to amend the database.

13.

Chapter 13: Challenges and Misuse of Subsidies

Overview of the chapter

- 13.1. The Competition Appeal Tribunal (the Tribunal) has been given the jurisdiction to review subsidy control decisions.
- 13.2. This chapter explains which subsidy decisions can be reviewed, who can request the review of a subsidy decision and when an application for review may be made. It also explains the pre-action information request process and suggests steps that public authorities may wish to take so they can respond to those requests quickly.
- 13.3. The purpose of this chapter is to provide guidance on the practical application of the relevant requirements, prohibitions and exemptions contained in the Act in terms of how these relate to enforcement.
- 13.4. This chapter also covers when a public authority may recover a subsidy from a beneficiary – to the extent that the subsidy has been used for something other than its intended purpose.

Reviews in the Competition Appeal Tribunal

Reviewable subsidy decisions

- 13.5. Interested parties may apply to the Tribunal for a review of the following decisions (reviewable subsidy decisions):
 - to give a subsidy (a standalone subsidy not given out under a scheme or Streamlined Route); or
 - to make a subsidy scheme, including a Streamlined Route, for giving out multiple subsidies of a similar type.
- 13.6. The Tribunal can review whether the public authority carried out its duties that are specific to the subsidy control regime as set out in Chapters 1 and 2 of Part 2 of the Act (the substantive subsidy control requirements): most importantly, to consider the relevant subsidy control principles, and to be of the view that the subsidy was consistent with those principles before deciding to give the subsidy. (For energy and environmental

subsidies, the principles in Schedule 2 of the Act apply in addition to those in Schedule 1 (see [Chapter 3](#) and [Chapter 4](#).)

- 13.7. The Tribunal may also determine whether the subsidy contravened any of the prohibitions set out in [Chapter 5](#) of this guidance.
- 13.8. The Tribunal can also review these subsidy decisions on general public law grounds.⁸⁰
- 13.9. In addition, the Tribunal may determine if a measure was subject to EU State aid rules by virtue of Article 10 of the Northern Ireland Protocol, where this was a relevant ground to a challenge of a subsidy decision. As such, the Tribunal could decide if such a measure was in breach of EU State aid rules if, for example, it had not been approved by the European Commission before being granted.
- 13.10. MFA, SPEIA and other types of subsidies that are not subject to the majority of the subsidy control requirements (see [Chapter 6](#) and [Chapter 7](#)) can also be reviewed by the Tribunal on general public law grounds. They cannot be reviewed by the Tribunal on grounds related to breach of the subsidy control requirements where they are not subject to these requirements.

Modified subsidies and subsidy schemes

- 13.11. Where an existing subsidy or scheme has been changed, it should be treated in the same way as a new subsidy or scheme except where the change is a permitted modification (see [Chapter 9](#)). Where it is considered a new subsidy or scheme, it will need to apply the subsidy control requirements and as such could be subject to an application for review like any other subsidy decision.

The review of subsidies given under subsidy schemes or Streamlined Routes

- 13.12. Subsidy schemes, including Streamlined Routes, allow public authorities to give multiple subsidies that meet specified criteria without doing an assessment against the subsidy control principles and prohibitions for each subsidy. This is because an assessment will have been carried out in relation to the scheme or Streamlined Route, and the eligibility criteria for the scheme or Route guarantee that a subsidy that meets those criteria will comply with the subsidy control principles and prohibitions (see Chapters 3 and 8). As a result, it is only the scheme itself that can be challenged. Subsidies given under a scheme or a Streamlined Route are not subject to review by the Tribunal.
- 13.13. However, this protection for subsidies given through schemes, including Streamlined Routes, only applies where a subsidy genuinely falls within the terms of the scheme or Route. If a subsidy does not really fall under the scheme or Route, then the public authority should have treated it as an individual subsidy, and therefore conducted an

⁸⁰ A challenge may be brought on general public law grounds on the basis that the decision was, for example, not within the public authority's powers, irrational, biased or otherwise unlawful on any other general public law ground.

assessment against the relevant principles and prohibitions. The subsidy could therefore be challenged in the Tribunal on this basis.

Example

A subsidy given to a motorcycle manufacturer is wrongly claimed to fall under the protection of a scheme that is directed at bicycle manufacturers. An interested party could ask the Tribunal to determine whether the subsidy should have enjoyed the protection of the scheme or whether it should have been treated as an individual subsidy.

If the Tribunal decides it should have been treated as an individual subsidy, the Tribunal could then consider whether the public authority made an assessment against the principles, prohibitions and other subsidy control requirements. If the Tribunal finds that the relevant subsidy control requirements have not been met, then it will be able to order the same remedies as in the review of any individual subsidy.

13.14. As with all decisions of a public nature, a person who is aggrieved by the giving of a subsidy under a scheme may also be able to request a review of the decision to give such a subsidy on general public law grounds. The Act specifies that subsidies given under a scheme cannot be reviewed in the Tribunal, so such a challenge would need to be in the High Court or Court of Session.

Nature of the review

13.15. When reviewing subsidy decisions, the Tribunal will apply the principles of judicial review. This means that the Tribunal will not determine whether the decision was correct, but whether it was lawful. For example, whether it was made within the authority's powers, was fair and reasonable, and to assess whether it was consistent with the relevant principles and requirements of the Act. The Tribunal will not review the merits or effectiveness of a subsidy or subsidy scheme.

13.16. If the Tribunal finds that a subsidy decision has not been given in compliance with the requirements in the Act, it may order remedies. In England and Wales and Northern Ireland, these are very similar to those available to the High Court on an application for judicial review, with the addition of recovery orders, which are specific to subsidy control. It is entirely at the discretion of the Tribunal whether it orders remedies and if it does, which remedies it awards. The following remedies are available in cases in England and Wales and Northern Ireland (meaning the public authority that has made the subsidy decision is located in these locations):

- Mandatory order (or 'order of mandamus' in Northern Ireland): to require the relevant public authority to perform its legal duties.
- Prohibiting order (or 'order of prohibition' in Northern Ireland): to prohibit a public authority from carrying out an unlawful act. This might prevent a public authority from giving a particular subsidy, or further subsidies under a scheme.

- Quashing order (or ‘order of certiorari’ in Northern Ireland): to set aside an unlawful decision and deprive it of any legal effect. This could be used to set aside an unlawful subsidy decision and may require the public authority to reconsider and re-make the decision.
- Declaration: the Tribunal could make a declaration to clarify a principle of law that was at issue in the case.
- Injunction: an order directing the public authority to do or refrain from doing a specified act and may be done on an interim basis. For example, the Tribunal may order a public authority to refrain from giving a subsidy until it has completed its review of the subsidy decision.
- Recovery: an order directing the public authority to take the subsidy back from the beneficiary. The order may specify a timeframe for the recovery and may apply to some or all of the amount of a subsidy or some or all subsidies given under a scheme. Recovery may be ordered where there has been a breach of the substantive subsidy control requirements. It is not available in relation to a challenge on general public law grounds.

13.17. In cases arising under the law of England and Wales, the Tribunal must, however, refuse to grant relief if it appears highly likely that the outcome for the interested party would not have been substantially different if the conduct complained of had not occurred. The Tribunal may disregard this requirement if it considers it is appropriate to do so for reasons of exceptional public interest.

13.18. When it is reviewing a case in Scotland, meaning the public authority is located in Scotland, the Tribunal has the same powers, and will be required to apply the same principles as the Court of Session would apply in an application to the supervisory jurisdiction of that Court. The Tribunal can grant forms of relief equivalent to those available to the Court of Session in those cases, as listed below.⁸¹ In addition, the Tribunal can order the recovery of a subsidy.

- Reduction – an order that quashes a decision made by a public authority and may require the public authority to re-consider the decision.
- Declarator – a declaration by the Tribunal clarifying a principle of law that was at issue in the case.
- Suspension – an order for suspension stops an act that is being carried out;
- Interdict – an order which prevents a future act from being carried out or prevents further continuation of an act.
- Implement – an order requiring the public authority to perform a specified act, for example an order requiring the public authority to perform its legal duties.
- Restitution and damages – damages may be awarded for loss suffered as a result of an unlawful act or omission by a public authority.

⁸¹ See Rule 58.13(3) of the Rules of the Court of Session 1994.

- Recovery – an order directing the public authority to take the subsidy back from the beneficiary. The order may specify a timeframe for the recovery and may apply to some or all of the amount of a subsidy or some or all subsidies given under a scheme. As set out in 13.16, above, this is only available where there has been a breach of the substantive subsidy control requirements, not in a challenge on general public law grounds.

Appeals

13.19. A decision of the Tribunal may be appealed on a point of law. This appeal will be heard in the Court of Appeal in England and Wales or Northern Ireland, or the Court of Session in Scotland. To seek an appeal, the appellant must get permission from either the Tribunal or the appellate court (i.e., the Court of Appeal or the Court of Session).

Who can request the review of a subsidy decision

13.20. An ‘interested party’ can ask the Tribunal to review a subsidy decision – that is, a public authority’s decision to give a subsidy or to make a subsidy scheme. An interested party is anyone whose interests may be affected by the giving of the subsidy or making of the scheme. The Tribunal has discretion to decide whose interests may be affected by a subsidy or scheme and therefore who can seek a review of the subsidy decision.

13.21. The subsidy control regime regulates the giving of money or other benefits with a financial value, and the regime is intended to avoid excessive distortions of competition. As such, interested parties will usually be those who are likely to be affected by the subsidy in a financial way, rather than those with a general interest in the subsidy.

13.22. An interested party would most typically be a competitor of the person that receives the subsidy (the beneficiary). It could also be a trade association active in the relevant sector and that represents the competitor or competitors of the beneficiary.

13.23. Local administrations and the devolved administrations may also be considered interested parties in certain circumstances where the subsidy or scheme may adversely affect the interests of people in the areas in which they exercise their responsibilities. For example, where the subsidy may have a material impact on investment in the area in which they exercise their responsibility.

13.24. The Secretary of State will always be considered an interested party. This is a result of their responsibility to ensure the good operation of the subsidy control regime in the UK, and for the UK’s compliance with its international obligations on subsidy control. The Secretary of State may therefore ask the Tribunal to review a subsidy if they consider that the subsidy poses a significant threat to competition and investment within the UK, or that it may not be consistent with the UK’s commitments under the World Trade Organization agreements or free trade agreements.

- 13.25. To apply for the review of a subsidy or to intervene in a case, an interested party should set out a 'notice of appeal' (for the review of the subsidy decision), or request for permission to intervene, and send this to the Registrar of the Competition Appeal Tribunal. An application to review a subsidy decision does not have the effect of suspending that decision unless the Tribunal directs so.
- 13.26. The Competition Appeal Tribunal's 'Guide to proceedings 2015' sets out the requirements for a notice of appeal at paragraphs 4.25 onwards.⁸²

Time limits for requesting a review

- 13.27. As set out in Chapter 12, the public authority must upload the information set out in Chapter 11 to the database within three months of the confirmation of the decision to give the subsidy or make the scheme, or for a subsidy given as a tax measure, within 12 months of the tax declaration.
- 13.28. Once a reviewable subsidy decision has been uploaded to the database, an interested party generally has one calendar month to apply to the Tribunal for a review of the subsidy or scheme. An interested party does not need to wait for the subsidy or scheme to be uploaded to the database before making an application to the Tribunal.
- 13.29. Where a database entry contains minor errors or omissions, the Tribunal may disregard these for the purposes of establishing the time limits for requesting a review. An error or omission will be considered minor if the Tribunal thinks it had no prejudicial impact on the interested party's ability to assess whether its interests may have been affected by a subsidy and therefore whether it should have made a pre-action information request.
- 13.30. A calendar month runs from the relevant date: that is, the date the subsidy is uploaded to the database or the date the interested party first knew or ought to have known of the subsidy decision, the date the post-award report is published or the date the public authority gives notice to the interested party that it has provided the information in response to a pre-action information request. For example, if a subsidy is uploaded on 20 July, the application must be submitted by 20 August. Where the time period for submitting an application expires on a Saturday, Sunday or bank holiday, the application will be in time if submitted on the next day that is not a Saturday, Sunday or bank holiday.⁸³
- 13.31. The one-month limitation period does not apply in the following circumstances.
- **Reviewable subsidies that do not have to be uploaded to the subsidy database**
Where a subsidy or scheme can be reviewed by the Tribunal but is not required to be uploaded to the subsidy database, then an interested party may apply for a review within one month of the date they first knew or ought to have known of the subsidy (for

⁸² Competition Appeal Tribunal Guide to proceedings 2015: <https://www.catribunal.org.uk/rules-and-guidance>.

⁸³ For further detail on the procedure for making an application to the Tribunal, see the Competition Appeal Tribunal Rules 2015: <https://www.catribunal.org.uk/rules-and-guidance>.

example, if the subsidy was publicised on GOV.UK or a local authority's website). This is only relevant to MFA, SPEIA and SPEI subsidies of £100,000 or less, to the extent these are subject to the substantive subsidy control requirements.

- **Applications about a subsidy referred by the Secretary of State**

When a subsidy or scheme has already been awarded and the Secretary of State has referred that subsidy or scheme to the Subsidy Advice Unit for a post-award report, an interested party may apply for a review of the subsidy or scheme within one month of the publication of the Subsidy Advice Unit's report (see Chapter 10).

- **Applications after a pre-action information request**

If an interested party has asked a public authority for further information about a subsidy or subsidy scheme under the pre-action information process (see below), that interested party may apply for a review of the subsidy or scheme within one month of the public authority giving written notice that it has provided the information in response to the request. This extension does not apply to other interested parties.

- **Multiple time limits**

Where a subsidy has been referred to the Subsidy Advice Unit for a post-award report and has also been subject to a pre-action information request, the interested party that made the information request will be able to make an application before the end of the later of the two time limits.

- **Inaccurate or incomplete uploads to the subsidy database**

Where an upload to the transparency database is required, the one-month time limit only begins after these transparency requirements have been properly fulfilled. If the information uploaded to the database about a subsidy or scheme is inaccurate or incomplete to the extent that the duty to upload the subsidy or scheme to the database has not been fulfilled, then an interested party may be able to request a review of the subsidy or scheme at any time.

For example, this means that if a subsidy is wrongly claimed to come under the protection of a scheme or Streamlined Route, it may potentially remain open to review for as long as its status is incorrectly recorded on the database and until one month after its status is correctly recorded (unless an extension above applies). However, the Tribunal does have discretion to refuse applications where there has been delay without a justified reason.

13.32. In exceptional circumstances, the Tribunal may change any of the time periods set out in this section.

Pre-action information requests

13.33. An interested party (see 13.20, above) can ask the public authority that gave a subsidy or made a subsidy scheme for information about it. This is to help them determine whether the subsidy was given in accordance with the relevant requirements of the Act, and therefore whether to ask the Tribunal to review the subsidy decision.

- 13.34. A pre-action information request (a request) must be made in writing to the public authority, stating that it is being made only for the purpose of deciding whether to apply for a review of a subsidy decision under section 70 of the Act, on the ground that the decision did not comply with the requirements of Chapters 1 and 2 of Part 2 of the Act.
- 13.35. An interested party can submit a request from the time that a subsidy has been given or a scheme has been made, up until one month after the information about the subsidy or scheme has been uploaded to the subsidy database. Or one month after the interested party first knew or ought to have known of the decision to give the subsidy or make the scheme, where the subsidy or scheme is not required to be uploaded to the database. (This applies to MFA, SPEIA and SPEI subsidies that are of £100,000 or less, to the extent these are subject to the substantive subsidy control requirements.)
- 13.36. For example, if a subsidy is given on 22 March and the upload to the subsidy database done on 15 May, an interested party could make a request at any time from 22 March up until 15 June, one month after the transparency upload.
- 13.37. A public authority must reply to a request in writing within 28 calendar days. The reply must provide such information as would enable or assist in, the making of a determination as to whether the subsidy was given, or the scheme made in accordance with the requirements of Chapters 1 and 2 of Part 2 of the Act. That is, in accordance with the public authority's duty to consider the principles, to only give the subsidy or make the scheme if it is of the view that this will be consistent with the principles, and to be compliant with the prohibitions and other specific requirements in Chapter 2 of Part 2. In doing so, the public authority will confirm to the interested party that it has provided the information requested.
- 13.38. If, having received this information, the interested party wants the Tribunal to review the subsidy decision, then they must apply for a review within one month of receiving notice from the public authority that it has provided information in response to the request.
- 13.39. In providing information in response to a request, a public authority may impose some proportionate restrictions on the information provided. This is to protect commercially sensitive information, confidential information, information subject to legal privilege, and information that it would be contrary to the public interest to disclose.
- 13.40. In turn, the interested party must only use the information for the purposes of understanding whether the subsidy was given, or the scheme was made, in accordance with the requirements of the Act, and in accordance with any specific restrictions the public authority may impose.

Responding to a pre-action information request

- 13.41. For a public authority (and for the beneficiary of a subsidy), the response to a pre-action information request is an important opportunity to demonstrate that a subsidy was given in compliance with the substantive subsidy control requirements.

- 13.42. It is important to put in place proportionate restrictions to protect information relating to the beneficiary that is commercially sensitive or confidential. However, a response that is excessively redacted for these purposes could be counterproductive. It will create suspicion and could lead to an interested party requesting an unnecessary review of a compliant subsidy decision.
- 13.43. The proportionality of a restriction should be assessed by balancing the risks to the beneficiary of disclosing the information to the interested party against the public authority's duty to provide sufficient information to enable or help the interested party to determine whether the subsidy was given in compliance with the requirements of the Act or not.
- 13.44. Where public authorities impose restrictions on the information that is disclosed, they should therefore try to withhold as little information as possible and explain to the interested party the nature of the information that is being withheld and the reason for withholding it. As long as it does not defeat the purpose of withholding the original information, a public authority may wish to give a summary of the information that is withheld.
- 13.45. A prompt and complete reply to a pre-action information request may help to avoid the review of a subsidy and minimise uncertainty for beneficiaries. Public authorities and beneficiaries may wish to consider – before a subsidy is given – what information they would need to disclose to give a useful response to a pre-action information request. The degree of consideration should of course depend on the size and nature of the subsidy. In some instances, public authorities may want to stipulate in any agreements relating to the subsidy that certain information can be disclosed in response to a request.

Misuse of subsidies

- 13.46. A public authority may recover a subsidy from the beneficiary to the extent that the subsidy has been used for a purpose other than the purpose for which it was intended. A public authority's right to recover a misused subsidy is enforceable as if it were created by contract between the public authority and the beneficiary.
- 13.47. The right to recover a misused subsidy exists without prejudice to any other rights that a public authority may have to recover the subsidy. For example, claims in restitution or under a contract with the beneficiary. Indeed, it is recommended that public authorities make the intended use of a subsidy clear in the terms of any agreement related to the subsidy, and the award of the subsidy conditional on the beneficiary using the support for that purpose. It is also recommended that any provisions in agreements relating to the subsidy that allow the public authority to seek recovery also make provision for interest to be added on a compound basis to reflect economic benefit the beneficiary received for which it was not entitled.

- 13.48. The ability to recover misused subsidies does not imply that public authorities should always devote substantial effort to monitoring the use of subsidies. It may be appropriate to put in place some monitoring process, but this should be done on the basis of the risk of negative effects and harmful distortions that might be presented by a subsidy being misused. For example, if a subsidy is particularly large or is in a sensitive sector, then the public authority may choose to put in place some type of regular monitoring arrangements. (See also [Chapter 3](#) for more detail on performance criteria and monitoring and evaluation as part of subsidy design.)
- 13.49. Where a subsidy has been misused, public authorities have discretion over whether to recover the subsidy as there may be occasions when it is not appropriate to do so. For example, if the degree of misuse is very small and the subsidy still serves the original policy intent; if the public authority considers that the subsidy is still compliant with the subsidy control principles, prohibitions and other requirements; and that recovery could cause significant harm to the beneficiary, it may well be inappropriate to recover.
- 13.50. In deciding whether to recover a misused subsidy, the public authority should primarily consider the compliance of the subsidy's new purpose with the subsidy control principles, prohibitions and other requirements. However, it may still choose to recover the subsidy even if the subsidy's new purpose does comply with the subsidy control principles, prohibitions and other requirements. A public authority should also, as usual, have regard to its other responsibilities, such as those set out in 'Managing Public Money', which may lead it to recover a subsidy even in circumstances where this would cause harm to the beneficiary.
- 13.51. In the unlikely event that a public authority becomes aware of a misuse and it is not appropriate to recover a misused subsidy, the public authority will need to treat this modification as a new subsidy and re-apply the subsidy control requirements accordingly, such as an assessment against the principles and making a new upload to the subsidy database detailing the actual use of the subsidy.⁸⁴ As with other new subsidies, an interested party may ask the Tribunal to review the subsidy up until one month after the upload date (with the exceptions detailed above).

⁸⁴ Alternatively, if the extent of the change of use is very minor, it may be appropriate to treat the change as a permitted administrative modification – see [Chapter 9](#). In this case, there is no requirement to reconsider the substantive subsidy control requirements, although the database entry must be updated.

14.

Chapter 14: Subsidies in primary legislation

Overview

- 14.1. The Subsidy Control Act also sets out rules for subsidies given and schemes made in primary legislation – that is to say, where the financial assistance is provided for directly by the UK Parliament, the Scottish Parliament, Senedd Cymru or the Northern Ireland Assembly. In practice, subsidies and schemes provided for by legislation tend to be tax reliefs or exemptions. These subsidies and schemes are covered by the provisions set out in Schedule 3 to the Act. In summary, subsidies given and schemes made in devolved primary legislation must comply with the subsidy control rules (with some differences) whereas those given or made in Acts of Parliament (primary legislation made by the UK Parliament) are exempt from most of the requirements in the Act (but not from our international obligations).
- 14.2. These specific rules apply only to subsidies given under a duty imposed by that legislation: it does not include subsidies given under a power in primary legislation. The UK Government or Devolved Administration will have no discretion over whether to give the subsidy because, the primary legislation will require it to be given (although the government may need to calculate the amount and carry out other administrative processes).

Example

A new Industrial Development Act is made by the UK Parliament, including a power which allows the Secretary of State to provide for financial assistance in certain circumstances. Subsidies given and schemes made by the Secretary of State using this power are not covered by the specific rules for subsidies given in primary legislation – because it gives the Secretary of State discretion to act, rather than imposing a duty.

- 14.3. Because of the nature of these subsidies, the concept of the ‘public authority’ is not relevant. Responsibilities of public authorities in the Act fall to two categories of person/body: the ‘promoter’ of the legislation in question, or the ‘appropriate authority’.
- 14.4. The promoter will be:
- In relation to a Bill introduced in Parliament, the Member of Parliament in charge of the Bill, usually the Government Minister;

- For the Scottish Parliament, Scottish Ministers or members of the Scottish Parliament in charge of the Bill;
- For the Senedd Cymru, Welsh Ministers or members of the Senedd in charge of the Bill;
- In the Northern Ireland Assembly, the member of the Assembly in charge of the Bill; or
- The member of any of the above who tabled or lodged the amendment, if the relevant provision which provides for the subsidy is introduced by an amendment.

- 14.5. The second relevant person will be the ‘appropriate authority’, which is the relevant government minister(s) or NI department with responsibilities for administering the subsidy or scheme as provided for in the legislation.
- 14.6. As a general rule, the ‘promoter’ is responsible for the design and assessment before the subsidy is given and as it is set out in the legislation. Once the subsidy is given, the ‘appropriate authority’ is responsible for anything that must take place afterwards (most notably the transparency requirements). Of course, in many cases the promoter and appropriate authority will be one and the same, where the legislation has been proposed by a government minister and it is then to be administered by a minister.
- 14.7. In many cases, the guidance that applies to subsidies and schemes given by or made by public authorities is directly applicable to subsidies and schemes given in primary legislation, and this chapter makes reference back to those chapters. In reading those chapters, references to subsidies given by a public authority will need to be replaced so that they apply to the promoter of the relevant legislation or the ‘appropriate authority’. Where those other chapters do not apply in full or in the same way, this chapter will make that explicit.
- 14.8. The Act differentiates between subsidies given and schemes made in Acts of Parliament (primary legislation made by the UK Parliament) and those given or made in devolved primary legislation. This chapter will therefore deal with each of those in turn.

Subsidies given in devolved primary legislation

Substantive subsidy control requirements

- 14.9. Subsidies given and schemes made in devolved primary legislation are subject to the subsidy control requirements in very similar ways to other subsidies. The definitions of a subsidy apply in a comparable way and the same four limbs of the test setting out the meaning of a subsidy in section 2(1) of the Act should be considered. The government minister, member of the NI Assembly or other promoter must then carry out an assessment of the subsidy or scheme in line with the subsidy control principles (see

Chapter 3) and the energy and environment principles as applicable (see Chapter 9). The prohibitions and other requirements and the exemptions also apply (see Chapters 5, 6 and 8).

- 14.10. The exception to this is that the procedural requirements set out for the giving of Minimal Financial Assistance and Services of Public Economic Interest assistance in sections 37 and 39 of the Act do not apply to subsidies given in devolved primary legislation. However, authorities are encouraged to consider these procedural requirements as a matter of good practice, in so far as they can be applied.

Transparency requirements

- 14.11. The ‘appropriate authority’ must ensure that the transparency requirements set out in Chapter 12 are followed with respect to subsidies in primary legislation in the areas for which they are responsible.

Referral to the Subsidy Advice Unit

- 14.12. There is no mandatory referral to the Subsidy Advice Unit (SAU) of subsidies given in devolved primary legislation. However, the relevant minister, the Northern Ireland Department or (if different) the promoter of the proposed legislation may choose to refer a subsidy or scheme of interest or particular interest to the SAU. As with other subsidies and schemes referred to the SAU on a voluntary basis, the SAU will have a discretion as to whether to accept the referral. The SAU will carry out the review on the same basis as for any other subsidy or scheme. The SAU will consider the assessment of the subsidy made by the promoter of the legislation, in line with the subsidy control requirements set out in the Act. The process followed is therefore the same as that set out in [Chapter 11](#) and the [SAU guidance](#).

Challenge and enforcement

- 14.13. The challenge and enforcement provisions of the Act (see Chapters 13) apply to subsidies in devolved primary legislation with one key difference. Cases are not heard by the Tribunal, but rather by the general courts: the Court of Session in respect of subsidies given by Acts of the Scottish Parliament; the High Court in England and Wales in respect of subsidies given by an Act or a Measure of Senedd Cymru; and the High Court in Northern Ireland in respect of subsidies given by an Act of the Northern Ireland Assembly.
- 14.14. The general rule that it is the ‘appropriate authority’ (and not the promoter) that takes action after the subsidy is given also applies here. Pre-action information requests are made to the appropriate authority and any recovery orders made by the relevant court should be made to the appropriate authority.

Subsidies given in Acts of Parliament

Substantive subsidy control requirements

- 14.15. The substantive subsidy control requirements do not apply to subsidies given or schemes made in Acts of Parliament. This is because of the constitutional principle that Parliament is sovereign and one Act of Parliament cannot bind another. However, the UK's international commitments (including the World Trade Organization Agreement on Subsidies and Countervailing Measures and the UK-EU Trade and Co-operation Agreement) do apply to these subsidies and government departments should have regard to [guidance on the UK's international obligations](#).
- 14.16. As with subsidies given in devolved primary legislation, the procedural requirements set out for the giving of MFA and SPEIA do not apply to subsidies given in Acts of Parliament. However, authorities are encouraged to consider these procedural requirements as a matter of good practice, in so far as they can be applied.

Transparency requirements

- 14.17. The transparency requirements in the Act apply to subsidies made in Acts of Parliament. The relevant minister must therefore ensure that the transparency requirements set out in Chapter 12 are followed for subsidies in primary legislation in the areas for which they are responsible, even if the legislation was proposed or amended by another member of Parliament.

Referral to the SAU

- 14.18. There is no mandatory referral of subsidies given in Acts of Parliament to the SAU – and of course, the Act imposes no obligation on the minister, or the promoter of the legislation to carry out an assessment in line with the requirements of the Act. However, the relevant minister or the promoter may choose to carry out such an assessment and refer to the SAU a subsidy or scheme of interest or particular interest. The SAU will have discretion as to whether to accept the referral and will carry out the review on the same basis as for any other subsidy or scheme (that is, they will consider the government or promoter's assessment of the subsidy in line with the subsidy control requirements set out in the Act). The process followed is therefore the same as that set out in [Chapter 11](#) and the [SAU guidance](#) for voluntary referral.

Challenge and enforcement

- 14.19. Subsidies given and schemes made in Acts of Parliament are not subject to challenge in court. (They may nonetheless be subject to challenge under the WTO rules or other international agreements, according to the terms of those agreements.)

15.

ANNEX 1: Additional guidance for determining whether a financial measure is a subsidy

Limb A: Financial assistance given, directly or indirectly, by a public authority from public resources

- 15.1. In order to constitute a subsidy, the granting of financial assistance must be given to an enterprise (whether directly or indirectly)⁸⁵ by a public authority from public resources.

What is a public authority?

- 15.2. The definition of public authority is wide and captures any person who exercises functions of a public nature,⁸⁶ including public authorities at any level of central, devolved, regional or local government and non-governmental bodies that are performing a public function.⁸⁷
- 15.3. Some bodies will exercise a mix of functions of a public and private nature: in these cases, it is important to look at whether the financial assistance comes from public resources to determine whether it meets this limb of the test. A body will not be a public authority if its functions are entirely of a private nature unless the exercise of those functions are attributable to a public authority (see below).

When is financial assistance given from public resources?

- 15.4. Only financial assistance granted directly or indirectly through public resources can constitute a subsidy. The concept of public resources should be considered broadly. Resources are considered public where they have come under public control prior to being transferred to the relevant receiving enterprises. It will therefore include the resources of public authorities at any level of central, devolved, regional or local government.
- 15.5. It will also extend to bodies such as publicly or privately owned companies where a public authority has influence over the body and is able to direct the use of such

⁸⁵ Section 2(1)(a) Subsidy Control Act 2022

⁸⁶ Section 6(1) Subsidy Control Act 2022

⁸⁷ The UK Parliament, the Scottish Parliament, Senedd Cymru, and the Northern Ireland Assembly are excluded from the definition of 'public authorities'

resources. In such cases the resources of the body may be considered attributable to public resources.

Charges to government expenditure

- 15.6. The provision of public resources will not capture situations where, under regulation, money flows directly between private entities, without coming under the control of a public authority. This is because a transfer of resources will not constitute a public resource unless it results in a corresponding charge to government expenditure (or foregone government revenue that was otherwise due, in the case of a relief/exemption from taxation or another payment). However, a transfer of public resources may exist where resources paid for by private bodies transfer through a public authority or other body that is influenced or controlled by a public authority.

Example

Under a regulatory framework, energy licensees are required to pay charges to renewable energy generator businesses.

In this situation, there is no transfer of public resources, as there is no burden (or risk of burden) on public financial resources, rather the burden is on the energy licensees' suppliers' own financial resources even though the charges are mandated by the regulatory system. The charges do not pass through a public body or a private body designated by a public body to channel them to the energy generator.

- 15.7. Expenditure by a body exercises functions of both a public and private nature will not result in a corresponding charge to government expenditure where it is privately derived resources.

Resources given by bodies where public authorities have influence

- 15.8. In some instances, public authorities hold a level of direct or indirect influence over bodies that are not public authorities.⁸⁸ In such situations, it is important to determine whether the financial assistance given by such a body is attributable to a public authority.
- 15.9. Where a public authority has material influence over a body's decisions to give financial assistance, that assistance given by the body should be considered to be given by a public authority for the purposes of subsidy control.
- 15.10. The ownership structures of a body alone are not necessarily determinative of whether the financial assistance is attributable to a public authority. For example, even where a company is majority owned by a public authority, financial assistance it provides may

⁸⁸ Such as publicly or privately owned companies, through ownership, financial participation, or governing rules.

not be considered to be given from public resources where the management of the company is predominantly run independently of the public authority.

15.11. There is no single test to determine whether financial assistance is attributable to a public body. However, public authorities may consider the following when determining whether sufficient influence is exerted over the body:

- What is the nature of the body's activities and how are such activities exercised in the market in normal conditions of competition with private operators?
- Is the body integrated into a role which has a public function?
- Does the decision-making of the body take account the requirements of public authorities, such as public policy guidance?
- What degree of supervision do public authorities exercise over the management of the body?
- Are there any structural and organisational factors which link the body to a public authority?
- Is the body in question subject to public law, rather than ordinary company law, and what level of autonomy does such legal status confer on the body?
- Are there any other indicators which show a public authority's involvement in adopting the financial assistance?

Example

A local authority holds a 60% shareholding in a company. The company has a board of 10 directors:

4 of the directors are appointed by the local authority. 1 of these directors, "Director A", is also a senior official at the local authority. The other 3 are not employed by the local authority.

Of the remaining 6 directors, 4 are nominated by the other shareholder and 2 are employee representatives.

None of the directors hold veto powers, or any other voting power that is different to that of the other directors.

At a board meeting, the company decides to provide a capital injection to one of its wholly owned subsidiaries.

Although the company is majority owned by a public authority, this is not sufficient to demonstrate that the capital injection is given as a public resource. Although Director A is employed by the local authority, all other directors are independent from the local authority. In addition, Director A holds no special voting powers or veto rights on board decisions, which means that they cannot by themselves impose decisions over the other

directors. Therefore, although the local authority holds structural control, it does not hold influence over decisions to grant financial assistance. As a result, the granting of the capital injection is not considered to be attributed to the local authority and does not constitute the giving of public resources.

Limb B1: Financial assistance provided to one or more enterprises

15.12. The second limb of the subsidy control test must be considered in two parts. Firstly, in order to constitute a subsidy, financial assistance must be given to persons or bodies that constitute an enterprise.⁸⁹ This means a person,⁹⁰ or group of persons under common control, who are engaged in an economic activity, to the extent that such a person, or group of persons, are engaged in such an activity.⁹¹ Secondly, it must confer an economic advantage on that enterprise over another enterprise (or multiple enterprises).

What is economic activity?

15.13. For the purposes of the subsidy control regime, economic activity entails the offering of goods or services on a market. A person's (or group of persons') status as an enterprise for the purposes of the subsidy control rules is based solely on the activities that such person or persons are engaged in. The legal form of the persons providing the economic activity is not relevant.

15.14. It is therefore not relevant whether the persons are governed by public, or ordinary company law. It is also not relevant whether the persons in question are privately or publicly financed, nor whether it could be considered a public body or affiliated to a public body. (Some persons may be considered both 'public authorities' and 'enterprises' with respect of different functions.)

15.15. The activity in question does not have to generate profits in order to constitute an economic activity. Therefore, public, or private bodies that operate on a voluntary or non-profit basis, such as charities, can also constitute an enterprise, where they offer goods and services on a market.

15.16. Where a person engages in both economic and non-economic activities, it will be considered to be an enterprise only in relation to those activities which are economic in nature. Therefore, public authorities should not ask the recipients of financial assistance

⁸⁹ Section 2(1) Subsidy Control Act 2022.

⁹⁰ 'Person' in this context means a natural or legal person – that is, a human being, a company, or another kind of entity recognised by the law.

⁹¹ Section 7(1) Subsidy Control Act 2022. A person under common ownership can be considered to be a under common control for the purposes of this guidance.

to confirm that they are not an enterprise but should instead seek to understand the nature of the activities they undertake.

- 15.17. The charging of fees (e.g., usage fees, entrance fees) does not necessarily mean an organisation should be considered to be engaged in economic activity, especially where these fees are nominal or represent only a small portion of the funding for the activities.
- 15.18. Where public authorities provide financial assistance in support of a person or body's non-economic activities, such financial assistance will not be considered to constitute a subsidy where it is ensured that the financial assistance cannot be used to cross-subsidise the person or body's economic activities. This can be ensured by the use of a clear separation of accounts or other methods of ringfencing.
- 15.19. In some instances, bodies may perform economic activities which are ancillary to a primary non-economic activity. Where it is shown that economic activities are intrinsically linked or are directly related and necessary for the performance of the non-economic activity, and where such economic activities are limited in scope, such activities will not be caught under the subsidy control regime.

Sectors and activities

- 15.20. The definition of a subsidy set out in the Subsidy Control Act applies to all sectors without differentiation. However, public authorities should pay particular care in relation to certain sectors and types of activities, as set out below. These are fields in which much activity is not economic, and therefore public authorities should pay particular attention before concluding that the financial assistance they are giving is a subsidy.

Public responsibilities

- 15.21. The fact that a certain activity has been closed to competition and is provided by a public authority does not necessarily entail that the activity should not be considered to be economic in nature. In general, if other operators would be willing and are able to provide goods and services in the market concerned, the activity in question will generally be considered to be an economic activity.⁹²
- 15.22. However, certain activities form part of a public authority's responsibilities and, by consequence, the exercise of activities which are intrinsically related to those public powers are not considered to be economic activities. As such, when a person is

⁹² However, where an activity has been closed to competition it is possible to further consider whether the financial assistance would, in fact, distort competition, trade, or investment. See [section [5] of the Guidance] for further information in this regard.

engaged in activities which are core to the exercise of public powers that person is not considered to be acting as an enterprise in relation to those activities.⁹³

15.23. Examples of these activities include:

- maritime and air traffic control;
- the detection and prevention of crimes by the police;
- defence activity by the UK armed forces;
- the collection of data (for example, measuring of pollution levels) for statutory reasons; and
- the preparation of land to make it ready to build on (where that serves the general infrastructure needs of the area, rather than being intended to benefit a specific future buyer).

Healthcare

15.24. Healthcare services funded through public resources provided for free at the point of access will not be considered to be commercial activities for the purposes of the subsidies control regime.

Example

Healthcare services provided by an NHS provider will not be considered to constitute an economic activity for the purposes of the Act.

Conversely, where non-NHS healthcare services are provided by medical professionals or healthcare providers, and are paid for by the patients, these activities are considered to be economic in nature.

Education

15.25. Education services organised within the national education system, which are both funded through public funds and supervised by the UK Government, are not considered to be economic activities for the purposes of the Act.

15.26. Equally, where the costs of education services are principally funded, whether directly or indirectly, through public resources, those services will not be considered to be an economic activity despite the fact that students, or their families, pay fees toward the provision of those services.

15.27. However, where education services are principally funded through private resources, for example the resources of students and parents, or through the operator's own

⁹³ However, as noted above, that person may be considered to be an enterprise in relation to economic activities which are not intrinsically related to the exercise of public powers.

commercial revenues, the operators providing these services will be considered to be enterprises for the purposes of the Act.

Infrastructure

- 15.28. As a rule, public funding for infrastructure that delivers a general public benefit and which is not intended to be used primarily to carry out an economic activity will not fall within the scope of the Act. However, where the infrastructure is used to provide an economic activity – either because the operator of the infrastructure is carrying out an economic activity, or because the infrastructure provides a specific benefit to one or more identified third parties – then public funding for that infrastructure could be considered to be a subsidy within the meaning of the Act.
- 15.29. In certain circumstances infrastructure may be owned or operated on the basis of a monopoly (e.g., railway infrastructure management) and the nature of that monopoly excludes competition for that market. Where this occurs, there may be no developed market in the UK or internationally for operating, managing or developing that infrastructure, and consequently financial assistance to that network operator may not constitute a subsidy as long as it is not cross subsidising its operations in other markets where there is competition.
- 15.30. Where infrastructure in the form of roads, bridges, tunnels and inland waterways is not intended to be commercially exploited and is made available to the public to use for free, the provision of access to this infrastructure will not be considered to constitute an economic activity and public funding for this infrastructure will not fall within the scope of the Act.
- 15.31. Conversely, if the management and operation of this infrastructure is assigned to an operator (whether a public or private body) which charges a fee for the use of the infrastructure, public funding for this infrastructure may be considered to constitute a subsidy. Even where the operator does not charge a fee, public funding may still be considered a subsidy where the management and operation of the infrastructure has a specific benefit.

Example

A Public Authority provides financial assistance to support the improvement or building of three roads.

The first project is funding for an improvement to a road that connects two towns, and it will be provided to a Local Highways Authority. The Local Highways Authority charges a nominal toll fee, to manage demand for use of that road. The Local Highways Authority is acting in its public capacity. This is not an economic activity, and, as such, the funding does not fall within the definition of a subsidy.

The second project is funding for an improvement to a road that connects two towns, and it will be provided to a private Operator that charges a toll fee, that generates most of the upkeep costs for that road. This is an economic activity, and the funding provides a specific benefit to the Operator. As such, the funding will likely fall within the definition of a subsidy.

The third project is funding that will be provided to support the building of a road which will connect a new manufacturing facility to the public highway, with no toll fee. This will provide a direct, identifiable benefit to the business operating the manufacturing facility. Since the manufacturing facility is an economic activity and there is a specific economic benefit to the manufacturing business, the funding is likely to fall within the definition of a subsidy.

15.32. Please see the section below on [cultural activities](#) for more information on cultural infrastructure.

Research, development & innovation

15.33. Scientific research carried out by a non-profit research organisation will often be carried out as a non-economic activity, and therefore may receive financial assistance without it constituting a subsidy. Non-economic scientific research may be carried out in collaboration with commercial organisations, as long as the commercial organisation does not receive a specific benefit from the financial assistance given to the research organisation. This would be the case, for example, where the commercial organisation pays the full cost of the project; or where results that do not give rise to intellectual property rights may be widely disseminated and where any intellectual property rights arising from the project are allocated to the organisations involved in a manner which reflects their contributions (i.e. intellectual property rights resulting from the activities of the research organisation are fully allocated to it). The commercial organisation is also unlikely to benefit if the research organisation receives compensation equivalent to the market price for the intellectual property rights which result from their activities.⁹⁴

15.34. Similarly, knowledge transfer activities by research organisations are generally non-economic activities where any profits from these activities are reinvested in the research organisation.

Example

A non-profit research organisation mainly carries out scientific research as a non-economic activity. This includes:

Collaborative research and development projects

⁹⁴ If the commercial organisation does receive a benefit then the non-profit research organisation may be a intermediary of a subsidy.

Education and open access teaching

Publishing data and research.

It also provides commercial research services to life sciences companies. This is a small portion of its overall activities and turnover.

The non-profit organisation is an enterprise only in relation to its commercial research services. A grant to support its non-economic activities would not be considered a subsidy.

- 15.35. Some research organisations carry out a very limited amount of commercial activity in a way that would be very challenging to ringfence from their general non-economic activities. Where the amount of economic activity represents a very small proportion of the use of the organisation's overall capacity (e.g. less than 20%), the research organisation will not be considered an enterprise for the purpose of subsidy control.

Example

A medical research charity, that has a separate retail arm, is granted financial assistance by a public authority to support its independent research operations. These research operations are heavily reliant on a state-of-the-art computer owned by the charity.

Financial assistance that is granted in relation to the charity's independent research operations, and which has been ringfenced for that purpose, would not constitute a subsidy since the charity does not act as an enterprise in relation to these activities; any profit generated from these operations is re-invested into the charity's independent research activities.

However, the charity also rents out up to 20% of the capacity of its computer to local businesses. As the computer is necessary for its research activities and the rental is limited, it would not change the fact that the charity is not considered to be an enterprise in relation to the ringfenced financial assistance.

If financial assistance were granted in relation to or otherwise benefits the charity's commercial exploitation of that research, these activities would be considered to be economic in nature and, as a result, the charity would be considered to be an enterprise in relation to them for the purposes of subsidy control rules.

Cultural activities

- 15.36. This is a broad category which includes, among others, museums, libraries, galleries, theatres, historical sites, archives as well as cultural and artistic education activities. Similar considerations apply to grassroots sporting activities, including members' clubs.

- 15.37. Cultural activities which can be accessed by the general public free of charge will not be considered to constitute an economic activity for the purposes of the Act. Financing of the construction, development, maintenance and operation of infrastructure and sites used for activities related to culture, heritage and nature conservation (cultural and heritage infrastructure) will generally not fall within the scope of the Act if it is not intended to be commercially exploited.

Example

A national museum or gallery that provides access to the public free of charge and is primarily funded through public resources is not carrying out an economic activity and will not be considered to be an enterprise for the purposes of the Act.

- 15.38. The public authority should consider whether the cultural activities are principally financed through public resources (and other non-commercial sources) or through commercial payments paid by visitors, such as entrance fees. Where a cultural activity is primarily funded through commercial payments paid by visitors, that activity will be considered to be economic in nature. Similarly, a members' sports club that does not operate on the market may set reasonable membership fees without being considered an enterprise.
- 15.39. Financial assistance for amenities for traditional non-economic cultural infrastructure sites (such as a café, gift shop or parking at a national museum) are also unlikely to be caught under the subsidy control regime since those customary amenities are unlikely, in themselves, to attract customers from other parts of the UK or internationally unless they are visiting the facility to which the amenities are attached.

Persons under common control

- 15.40. Public authorities must consider persons under common control carrying out an economic activity as a single enterprise for the purpose of the subsidy control regime. This question will be relevant to public authorities in a number of scenarios as they apply the subsidy control requirements, such as when considering the Minimal Financial Assistance exemption (see [Chapter 7](#) for more information on Minimal Financial Assistance).
- 15.41. Persons under common control but carrying out entirely and completely separate economic activities (or where only one person is carrying out an economic activity) are not considered a single enterprise for the purpose of the Act. This may be the case where one individual (natural person) owns two companies carrying out unrelated activities; or where a business owns a charitable fund unrelated to its economic activity. The activities and the accounts of the entities must be entirely separate, and ring-fencing of the financial assistance must be used as appropriate.

15.42. The question of common control will also be relevant to the question of whether the beneficiary of the financial assistance should be classed as an enterprise (and therefore whether the assistance meets the definition of a subsidy). In some cases, the immediate beneficiary of financial assistance may not carry out an economic activity itself but may be linked to bodies corporate which do. For instance, the immediate beneficiary of financial assistance may be a holding company which does not directly carry out an economic activity itself but owns a stake in companies which do. In this case, the public authority should consider whether the bodies corporate which carry out an economic activity are under common control with the immediate beneficiary. If so, the immediate beneficiary will also be considered to be an enterprise for the purposes of the Act, unless ringfencing measures are put in place to prevent any cross-subsidisation.

When are a group of persons considered to be under common control?

15.43. The fact that a person is under common control is most clearly established where a corporate body is a subsidiary of another corporate body, or where two or more corporate bodies are subsidiaries of the same corporate body.⁹⁵ Common control can also exist where two or more corporate bodies are under the control of a natural person (or more than one natural person), or where a group of natural persons are acting jointly.

15.44. Common control can also be established as a result of rights which provide a corporate body or group of corporate bodies with the ability to directly or indirectly control or materially influence the economic policy of another corporate body.⁹⁶ In practice, a person will be considered to control another corporate body if it has the ability to materially influence the commercial strategy of that corporate body.

Example

Company A owns 70% of the shares in a Company B and has the ability to appoint a majority of the directors on the board of Company B. As a result of its shareholding and its board appointments, Company A is able to involve itself in the management of Company B and has the power to set Company B's annual business plan. As a consequence, Company A is considered to have control over Company B.

15.45. However, the fact that a body corporate merely owns a majority of another body corporate's shares does not necessarily entail that the two bodies corporate form part of the same enterprise. This may be the case where, despite owning a majority of shares, and having certain rights associated with its shareholding such as receiving dividends,

⁹⁵ Section 8(4) Subsidies Control Act 2022. The term "subsidiary" has the meaning given by section 1159 of the Companies Act 2006.

⁹⁶ Section 8(2) Subsidies Control Act 2022.

Company A is not able to exercise material influence over Company B in terms of its management and decision-making.

- 15.46. Conversely, a body corporate may be considered to control another body corporate despite the fact that it does not own the majority of the shares in the latter. This will be the case if the first body corporate is nevertheless able to exercise material influence over the latter. Whether there is control depends on all of the circumstances and not simply the proportion of shares owned by a shareholder.

Limb B2: Financial assistance which confers an economic advantage

- 15.47. In order to be considered a subsidy, financial assistance, given by public authorities from public resources, must confer an economic advantage on one or more enterprises.
- 15.48. Financial assistance will be considered to confer an economic advantage where the benefit that an enterprise receives is provided on terms that are more favourable to the enterprise than terms that might reasonably have been expected to have been made available to the enterprise on the market. It is not necessary for such financial assistance to, in fact, be currently available on the market – only that it could be provided by a private operator.
- 15.49. For some types of financial assistance this will be a straightforward determination, since they are generally not provided on market terms – for example, a grant or a tax relief. For others – such as a loan, an equity investment, or the purchase of goods or services – this will be for the public authority to consider.

Indirect advantages

- 15.50. In certain circumstances, an economic advantage may be conferred indirectly upon enterprises that are not the direct recipients of the public resources that are transferred. Where the financial assistance has been designed in order that the recipient passes an economic advantage on to an identifiable third party that is an enterprise, the third party should be regarded as the beneficiary enterprise for the purposes of the subsidy control rules, in addition to or instead of the initial recipient.
- 15.51. Where there is an intermediary involved – that is, the public authority initially transfers the financial assistance to an entity which automatically passes on the benefit (apart from reasonable administration costs) and does not receive any selective advantage itself – the intermediary should not be considered the beneficiary of a subsidy.

Example

An umbrella organisation that is involved in innovation projects receives capital investment as part of a government fund, to support technology focused research and development projects. On receipt of the fund, the umbrella organisation is required to transfer the majority of the funding to a specialist research body (keeping back the umbrella organisation's reasonable and market-oriented costs for administering the fund). The specialist research body provides commercial research services.

The umbrella organisation will be treated as only an intermediary for the financial assistance, provided that it receives no other economic advantage.

The research body is an enterprise and should be considered the beneficiary, as it receives an economic advantage through receipt of the funding.

15.52. A single subsidy may also confer benefits on multiple beneficiaries. Examples of this include:

- Where the direct beneficiary not only receives an economic advantage from the subsidy but is also required, as a condition of receiving the subsidy, to pass on an economic advantage to one or more other enterprises
- Where the subsidy is given in the form of a voucher to one group of enterprises, entitling them to goods or services from a second group of enterprises, and the second group can exchange the vouchers for money from the public authority
- Where an existing relationship between the direct beneficiary and another identifiable enterprise(s) means the subsidy given to the direct beneficiary will automatically have the effect of creating an economic advantage for the other enterprise. This could include a contractual obligation between the direct beneficiary and another enterprise to pass on any cost changes.

15.53. A distinction can be drawn, however, between an indirect advantage that is part of the design of the financial assistance, and economic effects that are simply an inherent consequence of the effect of the financial assistance on the market. For example, a subsidy to a large manufacturer will have a positive impact on its contractors, suppliers and customers. The enterprises in the supply chain would generally not be considered recipients of the subsidy unless it was a foreseeable effect of the measure that its secondary effects would be channelled towards certain enterprises.

Example

A local authority provides financial assistance in the form of an equity investment to a company that is set up as a developer, to construct and own a sports facility. The developer is negotiating an agreement with a separate operator who is responsible for

the operation of services to a range of end-users of the sports facility, which include the organisers of community sports events as well as for-profit events.

The equity investment is provided on more generous terms to the developer than they would have been able to secure on the market, and the contract between the local authority and the developer requires the developer to offer below-market rent of the sports facility to the operator. There is no mention of the end-users in the contract; prospective end-users are able to access the services provided by the operator on market terms, and in a non-discriminatory way.

This financial assistance is designed in such a way as to provide an economic advantage to both the developer and the operator, even though only the developer is the direct recipient of the financial assistance. The end-users of the facility are not considered beneficiaries of the subsidy: any positive impacts on them are general economic effects rather than advantages as a result of the design of the financial assistance.

15.54. Where a subsidy is given to more than one enterprise, it should continue to be treated as a single subsidy for the purposes of the Act.⁹⁷

How will an economic advantage be assessed?

15.55. If there is any doubt as to whether financial assistance confers an economic advantage, public authorities should carry out a detailed analysis, with regard to the market in question.

15.56. Terms of financial assistance will be considered in line with market terms (i.e., will not be considered more favourable than those that might be reasonably available on the market) where the financial assistance provided is on terms that could be considered to be made available in the market by a private operator that is driven by commercial objectives.

15.57. Throughout this guidance, this condition is referred to as the Commercial Market Operator (CMO) principle.

⁹⁷ For example, it should have one entry in the database (see [Chapter 12](#) on Transparency). The public authority should be clear that all elements of the subsidy are compatible with the subsidy control requirements, including the principles (see Chapters 3-9) – in the example above, it should consider both the element benefiting the developer and the element benefiting the operator.

When calculating the value of a subsidy with multiple recipients, the public authority should first determine the overall value of the subsidy according to the Gross Cash Equivalent rules (for example, this might be the value of the grant to the direct beneficiary or the face value of a voucher).

The public authority should then determine the values of the parts of the subsidy received by the different beneficiaries by establishing what proportion of the total value should be ascribed to the different beneficiaries (this will be relevant for the purpose of any cumulation, e.g., if the subsidy is given as Minimal Financial Assistance). These values should be communicated to the beneficiaries, and it is good practice to publish them on the database or a linked website as relevant information.

- 15.58. For the purposes of the CMO principle, it is only a public authority's commercial objectives that are relevant for the assessment. Any public policy objectives should not be included when assessing whether the financial assistance in question confers an economic advantage, on the basis that such objectives would not be applicable to private operators in the relevant market.
- 15.59. A private operator can include vendors, investors, and creditors. The relevant operator will depend upon on the type of financial assistance that the public authority is providing, which may include loans, direct funds or purchases of goods and services. For example, a loan provided by a public authority will not be considered to confer an economic advantage to an enterprise, if the loan might be provided by a private sector bank or private sector shareholders on the same terms.

How is the Commercial Market Operator principle applied?

- 15.60. In terms of scope, the CMO principle will consider the market at the time at which the financial assistance is given.

How can public authorities show compliance with the CMO principle?

- 15.61. Where seeking to rely on the CMO principle, it is important that public authorities obtain sufficient evidence to show that the financial assistance provided could be made available in the market by a private operator with commercial objectives and is provided on terms that would be acceptable to such a private operator. In certain instances, public authorities can establish compliance with the CMO principle directly by using evidence that is specific to the financial assistance in question, for example where financial assistance is given at the same time and on the same terms as a significant investment by a private operator (also known as 'pari passu'). However, other evidence-based assessments may be undertaken, including the use of benchmarking and profitability analysis.
- 15.62. Any evaluation of compliance with the CMO should be undertaken with input from experts with appropriate skills and experience. In cases where the commercial assessment is not straightforward, it is recommended that public authorities commission a reputable third party to conduct a report as evidence that the actions proposed to be taken are in accordance with the CMO principle (as it would be in the case, for example, of co-investment with private operators on the same terms or the procurement of goods and services in accordance with public procurement rules). Where public authorities are operating schemes, the CMO assessment can be made at scheme level.

Tendered sale and purchase of goods and services

- 15.63. Where financial assistance concerns the sale or purchase of goods or services (including Services of Public Economic Interest – see [Chapter 6](#)), public authorities can show compliance with the CMO principle where the financial assistance is carried out through a procurement process which is tendered at the market price and is open and

competitive.⁹⁸ To rely on this method, public authorities should ensure that the procurement process:

- gives equal and non-discriminative treatment to all bidders;
- is open and transparent; and
- is carried out in a proportionate manner.

15.64. Where public authorities are subject to public procurement rules, evidence of compliance with these rules will assist in demonstrating compliance with the CMO principle.

15.65. In some instances, public authorities may receive only one bid in a tendered process. Where this is the case, it is key that public authorities are able to demonstrate that the process made it possible for more than one tenderer to submit a bid, and that there were adequate safeguards in place to ensure genuine and effective competition in the procurement process. Public authorities may also seek to verify that the outcome corresponds to the market price, using additional analysis, such as benchmarking analysis.

15.66. Regardless public authorities may seek to undertake further analysis, such as benchmarking or profitability analysis, in order to determine further whether the price of the awarded tender is on market terms. These methodologies are discussed below.

Subsidy competitions

15.67. However, the presence simply of some kind of competitive process is not sufficient to demonstrate that the financial assistance is not a subsidy.

15.68. Where conditions for a subsidy are met, a competition will not eliminate the presence of a subsidy. However, a competition that applies objective and appropriate assessment criteria can assist public authorities to demonstrate that the subsidy is the minimum that is necessary to achieve the objective of the subsidy, as required by the subsidy control principles (see [Chapter 3](#)).

Where public authorities and private operators provide financial assistance on the same terms

15.69. If the financial assistance is provided on the same terms as a significant intervention by private operators that are driven by commercial objectives in the same market, this can demonstrate compliance with the CMO principle without any need to carry out further analysis or benchmarking. In order to demonstrate that the financial assistance is carried out on the same terms by private operators, public authorities should have evidence that:

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Public authorities may also use competitive processes to give subsidies.

- the financial assistance is provided by both the public authority and private operators at the same time;
- the private operator's financial contribution is significant;
- the public authority and private operators provide the financial assistance on identical or equivalent terms (or the private operator is providing assistance on more generous commercial terms), including those terms which relate to risk and reward; and
- the private operators participate in the financial assistance to a significant or comparable level to that of the public authority, for example, by matching the financial assistance of the public authority
- the private operators hold a similar 'starting position' in the giving of financial assistance, e.g., if the public authority is a new investor, it cannot rely solely on evidence that existing investors are investing on the same terms

15.70. When carrying out financial assistance alongside a private operator, the preparation of a detailed business plan can assist in ensuring that there is detailed evidence to show that the financial assistance is provided on the same terms as the private operators involved.

Temporary liquidity support

15.71. Temporary liquidity support provided by the Bank of England to an individual firm by the Bank of England outside of its published Sterling Monetary Framework facilities is not considered to confer an economic advantage on the recipient, provided the loan is fully collateralised, with appropriate haircuts applied, and with a price charged that is at least as high as that of comparable published facilities available to the market.

Indirect assessment

15.72. Public authorities may also adopt other methods of economic analysis, that are based on objective and reliable data in order to assess compliance with the CMO principle. Such methodologies may be used where direct evidence relating to the financial assistance is insufficient in demonstrating compliance. Indirect assessment methods assess whether the financial assistance could be made available in the market on terms that are acceptable to a private operator, in line with the CMO principle. Two of the most common methods are described below.

Benchmarking analysis

15.73. Where financial assistance is not provided on the same terms by private operators, nor under a competitive tender at market price, public authorities may undertake benchmarking analysis, in order to obtain sufficient evidence that the financial assistance is given in compliance with the CMO principle. Benchmarking analysis may also be undertaken alongside direct assessment methods.

15.74. Benchmarking assesses the terms of the financial assistance against any comparable financial assistance, such as investments or loans, that has been carried out by private

operators in comparable situations. Benchmarking analysis will usually result in a range of values, within which the financial assistance in question should fall, in order to demonstrate compliance with the CMO principle.

Example

A local authority, which is providing a loan of £5 million to a start-up company for the development of an innovative medical science technology, uses benchmarking analysis to assess whether the financial assistance results in an economic advantage. Appropriate benchmarking analysis may include benchmarking of the interest rates of the loan arrangement against the interest rates of comparable loans offered by private banks, which have a similar credit rating.

Profitability analysis

15.75. Public authorities may also use profitability analysis to assess compliance with the CMO principle. Profitability analysis assesses the expected rate of return to the public authority compared with the rate of return that a private operator under comparable circumstances would likely require to invest.

15.76. Where the expected return is higher, or equal to the return of a private operator would require when investing in projects that have a comparable level of risk, it will be considered that the financial assistance complies with the CMO principle and does not create an economic advantage. Profitability analysis should involve the following:

- **a clearly defined scope of the financial assistance:** analysis of the scope should include factors described above;
- **the public authority's expected return on investment:** acceptable calculation methods include an estimate of the internal rate of return (IRR) or net present value (NPV). NPV considers the difference between cash inflow and outflow across the period of the financial assistance in question, such as the lifetime of an investment. IRR is the discount rate that makes the NPV equal to zero.
- **a comparison of the public authority's expected return of investment against the market expected return:** the market expected return will be the average expected return that the market requires to invest, on the basis of factors which include the investment risk, the enterprise's financial position and any other features that are relevant to the market in question.

Assessment of loan guarantees

15.77. When granting financial assistance via guarantees,⁹⁹ public authorities should consider the level of risk and complexity of the guarantee offered in order to determine the

⁹⁹ In most instances, the borrower will be regarded as the beneficiary of the financial assistance in the form of a guarantee. However, in some cases, the lender may also be regarded as a beneficiary. For example, this can be the case where a

compliance with the CMO principle. If the guarantee in question would carry a level of risk or complexity that a private operator, driven by commercial objectives, would not provide, it is likely that the CMO principle will not be met.

15.78. In addition, there are certain factors that public authorities should consider, when assessing whether the loan guarantee complies with the CMO principle. A guarantee is unlikely to confer an economic advantage where:

- The guarantee is based on a realistic assessment of the ability of the borrower to repay the loan;
- The guarantee is linked to a specific transaction, which has a fixed maximum amount and limited time period;
- Excluding debt securities, the guarantee does not cover more than 80% proportionately of the loan or other financial obligation in question. A guarantee in excess of 80% of the loan may also be justified in some circumstances e.g. if it is given to an enterprise that only performs a Service of Public Economic Interest (see Chapter 7) or the public authority can otherwise establish that it complies with the CMO principle; and
- The public authority is paid a price for the guarantee premium on market terms. This can be determined through benchmarking against a corresponding guarantee premium on the market, or, where no such premium is available, the financial cost of the guaranteed loan or other financial assistance should be compared against the price of a comparable non-guaranteed loan in the market.

15.79. Where public authorities make guarantee schemes, compliance with conditions the first three above should be considered, in addition to the following conditions:

- The terms of the scheme are based on a realistic assessment of the risk so that the premiums paid by the borrowing enterprises make it, in all probability, self-financing;
- The scheme provides for the terms on which future guarantees are given;
- the overall financing of the scheme will be reviewed regularly (at least annually) to assess the scheme's self-financing; and
- The premiums cover both the normal risks associated with the giving of the guarantee and the administrative costs of the guarantee scheme, and an annual remuneration of an adequate capital. The premiums should be paid to the public authority on the adequate amount of capital.

guarantee is given ex post in respect of the loan or other financial obligation that has already been entered into and has not been amended.

Limb C: Specificity

When is financial assistance considered to be specific?

15.80. In order to constitute a subsidy, financial assistance provided by a public authority must be specific – that is, it must benefit one or more enterprises over one or more other enterprises with respect to the production of goods or provision of services.¹⁰⁰ This definition therefore covers financial assistance which is provided to a particular enterprise or type of enterprise, or enterprises in a particular sector, industry, or area.

15.81. However, measures which make financial assistance available to a large number of enterprises, from a wide range of sectors and industries can also be considered to be specific. This may be the case in the following circumstances:

- where financial assistance is only available to certain enterprises on account of characteristics which are specific to them;
- where administrative authorities have discretion in deciding which enterprises can benefit from financial assistance; and
- where financial assistance is only available to enterprises operating in a certain area (unless the public authority in question is responsible only for that area).

Specificity linked to enterprise characteristics

15.82. A measure which makes financial assistance available to a large number or broad range of enterprises may in some cases be considered to be specific for purposes of the four-limbed test if it exclusively or almost exclusively benefits certain enterprises over others on account of characteristics which are specific to them.

15.83. For instance, a measure may make financial assistance available on the basis of certain characteristics of the enterprise such as:

- their legal form (e.g., reserving financial assistance to private companies limited by shares or excluding publicly limited companies);
- their size (e.g., reserving financial assistance to enterprises with annual turnover below a certain level or employing less than a certain number of employees); or
- the industry in which they are active (e.g., reserving financial assistance to enterprises active in steel manufacture or the retail sector).

15.84. Public authorities should bear in mind that it does not matter whether the measure expressly reserves the financial assistance available under the measure to certain enterprises or whether it does so implicitly. For instance, a measure which is ostensibly

¹⁰⁰ Section 2(1)(c) Subsidy Control Act 2022.

available to all enterprises may, in practice, almost exclusively benefit certain enterprises on account of characteristics which are specific to them.¹⁰¹

- 15.85. However, a measure which provides financial assistance to certain enterprises on account of characteristics which are specific to them is not automatically considered to be specific.
- 15.86. In order to determine whether a measure which makes financial assistance available to a large number or broad range of enterprises may be considered to be specific, public authorities must establish whether the measure creates a distinction in the treatment of enterprises which are otherwise in a comparable situation. If so, the measure will be considered to provide specific financial assistance, unless the distinction in the treatment of enterprises is justified by principles inherent to the design of the arrangements of which that financial assistance is part.

How can it be determined whether enterprises are in a comparable position?

- 15.87. In order to determine whether a measure under which a public authority envisages providing financial assistance is specific, public authorities should:
- identify the policy objectives of the measure used to provide financial assistance;
 - identify which enterprises are in a comparable position with respect to that internal policy objective; and
 - determine whether certain enterprises are treated more advantageously than one or more other enterprises in a comparable position with respect to those internal policy objectives.
- 15.88. If the measure treats certain enterprises more advantageously than one or more other enterprises which are in a comparable position, the measure will be considered specific. Conversely, if the measure does not treat certain enterprises more advantageously than one or more other enterprises which are in a comparable position, the measure will not be considered specific.
- 15.89. Financial assistance should not be considered specific if the distinction in the treatment of enterprises is justified by principles inherent to the design of the arrangements of which that financial assistance is part.

Specificity if the financial assistance is in the form of a tax measure

- 15.90. Financial assistance given in the form of a tax measure will not be regarded as specific unless one or more enterprises obtain a reduction in their tax liability that they would have borne under the normal taxation regime, and they are treated more advantageously than other enterprises in a comparable position under the normal

¹⁰¹ It is important to note that a measure may be considered to provide specific financial assistance even if a very small number of enterprises, which do not share the same characteristics as the enterprises which primarily benefit under the measure, also benefit from the financial assistance provided.

taxation regime. This means a tax measure can only be considered specific if it is targeted (and not a general measure) and confers an advantage on certain enterprises. Unless certain enterprises obtain a reduction in tax liability that they would not receive under the normal taxation regime, and they are treated more favourably than others in a comparable position within that regime, the measure will not be specific.

- 15.91. The normal taxation regime is identified from the internal objective and features of the regime (such as the tax base, the taxable person, the taxable event, and the tax rate) and by the ability, competence and autonomy of the public authority to create and design its own taxation regime.
- 15.92. Tax measures do not always provide specific financial assistance if they treat enterprises in a comparable position differently, as long as that difference is justified by principles inherent to the design of the normal taxation regime and how the tax measure fits into that regime. The following non-exhaustive list sets out principles that may be relevant in a particular case-
- fight fraud, tax evasion or avoidance
 - administrative manageability of the tax regime
 - the avoidance of double taxation
 - the principles of tax neutrality
 - the progressive nature of income tax and its redistributive purpose
 - taxpayers' ability to pay.
- 15.93. Where a special purpose levy is designed for a non-economic public policy objective and those objectives are not discriminatory, the special purpose levy will not be regarded as specific. These objectives could include the need to protect the environment or public health.

Specificity resulting from administrative discretion

- 15.94. A measure which makes financial assistance available to a large number or broad range of enterprises may also be considered to be specific if the measure provides the public authority applying the measure with broad administrative discretion.
- 15.95. In particular, a measure will generally be considered to be specific if it provides the relevant authority with broad discretion in deciding which of a number of enterprises meeting the eligibility criteria for financial assistance can benefit from financial assistance or how much each of those enterprises can receive.

Example

A public authority introduces a measure aiming to incentivise certain categories of investment by offering to provide a one-off loan at below market rates covering 50% of the value of an eligible investment.

If this measure does not specify which investment it applies to in the event that an enterprise makes a number of eligible investments of differing values, this measure could be considered to be specific. This is because the public authority has a discretion to choose which investment the financial assistance should apply to. As the amount of financial assistance is tied to the value of the investment, the public authority would be able to grant greater or lesser amounts of financial assistance to enterprises depending on which eligible investment it selects. The public authority would therefore have a discretion to treat two enterprises in a comparable position (that is, two enterprises that had made eligible investments) with regard to the measure, e.g., by applying the financial assistance to the investment of the highest value for one enterprise and to the investment of the lowest value for the other enterprise.

15.96. However, this does not mean that any measure which provides the authority with any degree of discretion will be considered to be specific. If the margin of discretion afforded to a public authority is exercised according to objective principles, which are transparent and which are capable of ensuring that discretion is exercised in a non-discriminatory manner,¹⁰² the mere exercise of discretion does not entail that a measure is specific.

Specificity based on the geographical area in which the financial assistance is provided

15.97. In order to determine whether a measure providing regional or local financial assistance should be considered to be specific, public authorities will need to consider what constitutes the relevant reference area.¹⁰³

15.98. Where a measure providing financial assistance is adopted using a power which is UK-wide, the reference area is the UK as a whole. Therefore, financial assistance provided exclusively in a specific geographical area within the UK may be considered to be specific. For example, this would be the case where financial assistance is provided by the UK Government one particular part, region or local area in the UK when exercising its UK-wide functions.

15.99. Equally, when an administration covers a discrete area – such as a devolved administration, or where the UK government is acting in relation to powers that are restricted to England – the reference area will be Scotland, Wales, Northern Ireland or England, respectively. Where financial assistance is made available by a public authority, acting autonomously with regard to process and funding, to all enterprises located within the reference area for that financial assistance, that financial assistance

¹⁰² I.e., it does not treat certain enterprises more favourably as compared to one or more other enterprises which are in a comparable position.

¹⁰³ It should be noted that, for the purposes of the preceding subsection, an enterprise which is located outside of the territorial reference framework for the financial assistance envisaged by a public authority is not in a comparable position to an enterprise which is located within that territorial framework.

will not be considered to have been given on a territorially specific basis, and would therefore not be a subsidy.¹⁰⁴

15.100. Conversely, measures adopted by the Scottish Government, the Welsh Government, or the Northern Ireland Executive providing assistance to one particular region or local area within Scotland, Wales or Northern Ireland respectively (or the UK government to a particular region of England when exercising functions that are limited to England) would constitute clear examples of specifically granted financial assistance, as would support provided by a regional authority only to one town within the region.

Example

A wage subsidy scheme by the Welsh Government that is equally available to all enterprises in Wales (but is not available in England, Scotland, or Northern Ireland) will in most cases not be specific. However, a wage subsidy by the Welsh Government limited to enterprises in the area of a single local authority, or which was otherwise limited in availability, would be a specific subsidy because it favoured enterprises in that local authority over other enterprises in Wales.

Limb D: Financial assistance which has, or is capable of having, an effect on competition or investment in the UK, or international trade or investment

What kind of effects are relevant?

15.101. A subsidy is defined as financial assistance which has, or is capable of having, an effect on:¹⁰⁵

- competition or investment within the United Kingdom; or
- international trade or investment.

15.102. Financial assistance must be capable of having a genuine adverse effect that is more than incidental on competition or investment in the UK, or international trade or investment, to constitute a subsidy for the purposes of the Subsidy Control Act (hereinafter a “relevant effect”). Financial assistance will not be considered to produce,

¹⁰⁴ It is important to note that similar considerations would apply if a devolved administration were to use the powers available to it to modify the rates applicable under a tax measure which is applicable across the UK within the territory that administration is responsible for.

¹⁰⁵ Section 2(1)(d) Subsidy Control Act 2022. Please note that modified rules apply to financial assistance provided to air carriers providing air transport services. See Section 5 Subsidy Control Act 2022 in this regard.

or be capable of producing, a relevant effect for the purposes of the Act merely because it improves the financial situation of its beneficiaries.

- 15.103. The most important part of this limb of the test is the market or markets in which the beneficiary or beneficiaries operate. That includes the nature of competition in those markets in the UK, any international trade flows, and any investment flows (from the UK or internationally). Generally, this will be the market for the goods or services produced by the beneficiary. Where the subsidy has a substantive effect on the market for the inputs used by the beneficiary, that should also be taken into account.
- 15.104. It must be foreseeable that the measure will, or is capable of producing, relevant effects. If there is no evidence of a currently operating competitive UK market, of international trade flows, or of prospective investment to enter the market in the UK or internationally, then there are unlikely to be relevant effects.
- 15.105. In many cases, it will be straightforward to determine that the measure would have a relevant effect on a competitive market in the UK, and it will not be necessary to determine whether it also has a relevant effect on international trade or investment. If this is in question, more detail on how to identify and assess the market is set out in Chapter 3.
- 15.106. It is worth noting that a measure could have a relevant effect on competition and investment in the UK even where the market covers a very small geographical area or where the amount of financial assistance is very low.¹⁰⁶ However there is no presumption that a measure meeting the first three limbs of the test will have a relevant effect and any interested party claiming a relevant effect will need to be able to demonstrate it on the basis of the evidence
- 15.107. As the assessment is forward-looking, it is important for public authorities to take foreseeable market developments into account when considering the effects of a measure on competition or investment in the UK or international trade or investment.

Example 1

The UK-wide market for manufacturing a specific widget consists of only two firms who happen to operate from the same business park. The UK Government gives financial assistance to one of the two firms. This may constitute a subsidy, as it would meet the

¹⁰⁶ Public authorities should be aware of the Minimal Financial Assistance provisions (as set out in [Chapter 7](#)) which exempt low value subsidies from most of the subsidy control requirements. It is important to note that Minimal Financial Assistance subsidies are still subsidies: they must meet the four limbs of the test outlined in this chapter. Exceptionally, however, there may be circumstances where the amount of a financial assistance is so low (for example a £250 grant to a SME to attend a trade fair) that the possibility of a distortive effect is entirely hypothetical.

test of having an effect on competition and investment, by giving the firm receiving assistance a competitive advantage.

Example 2

Two newsagent shops operate in the same remote rural village. The local council gives financial assistance to one of those businesses. Similarly, this may also constitute a subsidy.

Example 3

A remote rural village has one barber shop. There is no evidence that others have sought or would seek to open another barber shop or hairdresser in the village or at any reasonable travelling distance. A decision is made to allow the shop to rent local authority land at sub-market rates to use as a parking area. Although there is a theoretical possibility that another barber shop could be set up in the village, this is only a hypothetical effect and is not sufficient to meet the test of having a relevant effect on competition or investment in the UK. The financial assistance is not likely to be considered a subsidy.

- 15.108. In certain circumstances goods, services or infrastructure may be owned or operated on the basis of a monopoly and the nature of that monopoly may exclude competition for that market. Where a good or service provided by an enterprise cannot be substituted by another service financial assistance to that network operator may not constitute a subsidy as long as it is not cross subsidising its operations in other markets where there is competition.
- 15.109. Many cultural and heritage activities are also not substitutable even where they are economic activities (for example, keeping unique public collections for which a significant entrance fee is charged) and therefore exclude the existence of competition.
- 15.110. This limb of the test is met if the financial assistance has an effect on competition or investment in the UK or international trade or investment; that is, it is sufficient that just one of these four effects is present for the financial assistance in question to be considered a subsidy (if the other limbs are also met).
- 15.111. In general, it is more likely that a measure will have an effect on competition or investment in the UK than on international trade or investment. In most cases, it will therefore be sensible for public authorities to establish that there is an effect on competition or investment in the UK to confirm that this limb of the test is met. However, in some cases, there may be an effect on international trade or investment even where there is no competitive market in the UK.

Example

Three testing centres for an advanced technology exist in the world – one in the UK, and two in other countries and all three provide similar services to businesses based all over the world. The UK Government wants to provide significant financial assistance to improve the facilities and quality of testing at the UK centre. Although there may be no effect on competition and investment in the UK, the public authority will still need to consider whether the subsidy has or is capable of having an effect on international trade or investment.

16.

ANNEX 2: Additional guidance for assessing Subsidies and Schemes of Interest and Subsidies and Schemes of Particular Interest

Overview

- 16.1. Subsidies or Schemes of Interest (SSoI) and Subsidies or Schemes of Particular Interest (SSoPI) have a greater potential for substantial negative impacts on UK competition or investment or international trade or investment. This Annex sets out additional and more in-depth assessments that public authorities should undertake when they are giving or making SSoI or SSoPI. This Annex should be read in conjunction with [Chapter 3](#) once the public authority has determined that the subsidy or scheme is or may be a SSoI or SSoPI (see [Chapter 10](#)).
- 16.2. Public authorities should consider the subsidy control assessment framework set out in Chapter 3 when considering compliance against the principles for SSoI or SSoPI. This Annex builds on step 3 and step 4 of the assessment framework in Chapter 3 by setting out additional elements in relation to the characteristics of the subsidy and the market which should be considered when assessing the distortive impacts on competition or investment within the UK, or on international trade or investment. This deeper understanding of distortive effects should then be applied with steps 3 and 4 of the assessment framework to ensure that the subsidy or scheme is consistent with Principle B, Principle F, and G.
- 16.3. Please note that this guidance is not intended to be exhaustive. Subsidies will differ in their aims and design and there may be specific assessment techniques that are not covered in this guidance that are relevant for certain subsidies. Public authorities should therefore apply the assessment methods set out in this guidance and elsewhere that are most appropriate for the subsidy or scheme in question.
- 16.4. Public authorities should apply this guidance in a commensurate manner, considering the size of the subsidy in question, the likelihood of potential negative effects and the level of evidence available. Public authorities should consider the same factors when choosing which techniques to apply, and the level of detail to include within their assessments.

- 16.5. To ensure robustness of the assessment of SSol and SSoPI, public authorities will often have to gather the information and data discussed in the sections below from various sources. As noted in Chapter 3, public authorities should take into account possible incentives of those who provide information or data to let the subsidy appear more or less favourable. Where public authorities obtain contradictory information or data, it may be necessary to gather additional evidence.

The characteristics of the subsidy

- 16.6. This section sets out in more detail on some of the notable features and characteristics of subsidies and how they can be carefully designed to minimise negative effects on domestic competition and investment and international trade and investment.

The size of the subsidy

- 16.7. Having determined the size of the subsidy (i.e., the total subsidy amount) as outlined in Chapter 3, public authorities should then compare that size with the size of the affected market(s), project costs and the operating cost of the recipient as outlined in the sections below. It is important to note that there is no bright-line threshold for when the value of a subsidy is too large relative to the size of any of these so that impacts on domestic competition, investment, and trade could be disproportionate. Furthermore, expert advice, e.g., from accountants, will only be necessary for particularly complex subsidies.

Subsidy size relative to the size of the affected market(s)

- 16.8. Generally (all other things being equal), a subsidy that represents only a small proportion of total market size is less likely to have a significant impact on competition and investment in the UK, and international trade and investment.
- 16.9. The size of a market heavily depends on how this market is defined (see the later sections of this Annex). The market size should comprise the sales volume or value of the relevant products or services supplied by the recipient and all of the most important competitive alternatives as identified. Public authorities should also ensure that comparisons between the size of the subsidy and market(s) are made on the same basis (e.g., including or excluding VAT; figures should be based on the same time period, on either volume or value, etc.).
- 16.10. Public authorities should consider sensitivities around their market size estimates when there are gaps in the available information or when (some of the) products or services are provided free of charge.
- 16.11. Each market identified (see [“Market Characteristics”](#) section below) should be considered in turn with the (share of the) total subsidy that is attributable to it. Different

markets can be assessed in combination whenever (parts of) the subsidy are not attributable to individual markets.

- 16.12. Sources of information on market size can be data or estimates from subsidy beneficiaries, other market participants (including competitors, customers, and suppliers) or industry associations. Note that market research reports often consider wider sets of competitors and national (or wider) geographic markets and their suitability as a source of market size data should therefore be assessed prior to being used.

Subsidy size relative to total project costs

- 16.13. A subsidy that meets step 2 of the assessment framework is unlikely to represent a large share of the recipient's total project costs (see [Chapter 3](#)). This is because a well-designed subsidy will only fund the minimal proportionate amount that is necessary to incentivise the beneficiary to realise the project.
- 16.14. Generally (all other things being equal), a subsidy that represents only a small proportion of total project costs is less likely to have significant effects on competition and investment in the UK, and international trade and investment. Though the appropriate percentage will likely depend on the circumstances of the market, the broader subsidy design, and the market failure or equity rationale being targeted.
- 16.15. Information on project costs will have been gathered for the preparation of the business case and in the assessment of step 2 of the assessment framework.
- 16.16. A subsidy should only fund an amount of money slightly above the level to make the beneficiary indifferent whether to undertake the project or desired activity. As simplified examples:
- A project with a negative present value to the beneficiary (i.e., it would not be undertaken in the absence of the subsidy) should only be subsidised up to the level at which its present value is just above zero and the beneficiary breaks even.¹⁰⁷
 - Similarly, if a public authority wants a recipient to adopt a desirable activity over another (with a higher present value to the recipient, i.e., it would be the beneficiary's preferred option), it should only subsidise it slightly more than the amount necessary to make the beneficiary indifferent between the two activities.
- 16.17. The same logic applies even when enterprises use different measures to calculate the costs of a project or activity depending on the circumstances (e.g., total cost of ownership (TCO) instead of net present value): the public authority should only make recipients indifferent between either (i) undertaking a desired activity and doing nothing; or (ii) between the desired activity and the recipient's preferred alternative option.

¹⁰⁷ Public authorities should consider, and factor in where appropriate a level of reasonable returns that the recipient may require from the project in order to undertake the investment.

Subsidy size relative to the operating costs of the recipient

- 16.18. Generally, a subsidy that represents only a small proportion of the normal operating costs of the beneficiary is less likely to have a significant impact on competition and investment in the UK, and international trade and investment. The beneficiary's normal operating costs serve as a benchmark for the size of the subsidy to give public authorities an indication of the importance of the subsidy in the day-to-day business of the beneficiary and hence of its ability to significantly alter its incentives. As these costs exclude expenses not directly related to core business activities, they represent a more reliable benchmark which is also less prone to be influenced by one-off financial transactions and other irregular operations of the business.
- 16.19. Public authorities should only take into consideration the beneficiary's operating costs for the markets for the relevant products and services as identified above. This is because a subsidy may represent only a very small proportion of the overall cost of a large enterprise supplying many products and services, but it may represent a substantial proportion of the costs attributable to a subset of these products and services. This assessment may be more complicated when beneficiaries operate in multiple markets or overseas as allocation of cost items to the activities affected by the subsidy may not be straightforward. However, this assessment does not need to arrive at a precise estimate; rather, it is intended to provide an indication of the importance of the subsidy for the day-to-day business of the recipient as mentioned above.
- 16.20. Information on normal costs of the beneficiary for the supply of the relevant products or services can be obtained from the beneficiary themselves. In particular, management accounts for the division(s) responsible for the supply of the relevant products or services will enable the public authority to estimate normal operating costs.

The nature of the costs being covered

- 16.21. As set out in Chapter 3, one-off subsidies which support the funding of an initial investment or the set-up costs of a project tend to be less distortive so long as they do not create barriers to entry or give a substantial advantage to the recipient. When funding only initial investment or set-up costs is not possible, public authorities should give particular consideration to how the subsidy will affect the beneficiaries costs.
- 16.22. Public authorities should generally avoid using subsidies to cover normal day-to-day costs of running the project, activity, or (one of) the beneficiary's facilities as these are more likely to impact competition and investment in the UK, and international trade and investment.
- 16.23. Funding only initial investments or set-up costs also reduces the risk that a project or activity continues to be funded even though it may become obsolete or ineffective during the project's lifetime. This is because public authorities may fall victim to the 'sunk cost fallacy'. This occurs where assistance should cease from a rational economic

perspective, but instead is continued due to an aversion to appear wasteful by forfeiting past investment and to publicly admit failure of a project or activity.

- 16.24. Information on which of the recipient's cost items can be considered as fixed or as variable costs can be obtained from an assessment of the beneficiary's current run rate and estimates of its run rate in the future. This will also allow public authorities to estimate what cost items are fixed or variable over the duration of the subsidy at specific output levels. This information can be requested directly from the beneficiary and obtained from its annual and management accounts.
- 16.25. As SSol and SSoPI are likely more complex and have a greater potential of causing distortions than other subsidies, public authorities should ensure that contractual obligations on the beneficiary:
- restrict the use of the subsidy to the intended purpose and the defined type(s) of cost;
 - restrict the use of unused funds; and
 - are considered together and are consistent with the other subsidy characteristics, in particular the timespan, ringfencing and monitoring and evaluation.

The timespan over which a subsidy is given

- 16.26. Public authorities should assess whether the subsidy is sufficiently time-limited as outlined in Chapter 3. This is because time-limited and one-off subsidies are less likely to distort competition and investment in the UK, and international trade and investment. The timespan of the subsidy or investment can provide an indication of the longevity of any effect on the market.
- 16.27. Public authorities should make use of subsidies that provide one-off lump-sum payments. Whenever that is not appropriate, public authorities should design subsidies that are time-limited and payment schedules should be linked to the achievement of specific milestones of a project. Public authorities should consider this feature in combination with the cost impact of the subsidy (see section 'The cost impact of the subsidy' above). Providing recurring subsidies over a period of time compared to a one-off lump sum is likely to have a greater impact on competition and investment in the UK, and international trade and investment, including on enterprises' entry and exit decisions.
- 16.28. First, recurring and open-ended subsidies incentivise recipients to ask for continued funding of a project or desired activity. Second, potential entrants could be deterred from entering the market if they have to compete with incumbents that are expected to receive further subsidies. Third, recurring and open-ended subsidies increase the risk of projects or activities continuing even after they have become uneconomic, obsolete, or ineffective. Recurring subsidies could also prevent efficient rationalisation – an enterprise may remain in a market when this is no longer the best option for it either

because it has committed to it as part of a subsidy programme or because it has reason to expect future subsidies.

Market characteristics

16.29. Subsidies in markets where enterprises compete vigorously and where the beneficiaries are not major players are less likely to distort competition and investment in the UK, and international trade and investment. Public authorities should what effect a subsidy can have on the competitiveness of enterprises in a market by considering the characteristics of markets set out in this section.

16.30. The following section sets out identify the relevant market(s) with the most important competitive alternatives in each. It then outlines the most important market characteristics and their potential to alleviate or exacerbate the subsidy's impacts on domestic competition or investment or international trade or investment. Public authorities should step through and review each of the relevant market characteristics. In doing so, public authorities should gain an understanding of which third parties may be particularly affected by the subsidy and show evidence of having considered each of the following factors:

- The extent of market concentration;
- Barriers to entry, expansion and exit; and
- The growth (or decline) of each market.

Identifying the market(s)

16.31. This section sets out how public authorities should identify the market(s) that a subsidy may affect. Public authorities should undertake this exercise for the beneficiary's products and services that are affected by the subsidy. In addition, this exercise may be required for any input or related products (see the relevant section below). Public authorities should apply this guidance in a commensurate way – it may not be necessary to fully identify each and every market that the recipient may operate in, only the key markets that the subsidy may affect.

16.32. A carefully delineated market should comprise the most important competitive alternatives to each of the recipient's products and services that are affected by the subsidy. Public authority should consider two main dimensions in this exercise:

- the product or service dimension; and
- the geographic dimension of the product or service.
- Each will be discussed below as well as some additional aspects which may be relevant for the assessment in certain cases.

Product or service dimension

- 16.33. First, public authorities will need to identify the products or services (if any) that are important competitive alternatives to the beneficiary's products and services affected by the subsidy. These are not necessarily the products and services which fulfil the exact same purpose, have similar characteristics, or are most comparable in terms of price. Public authorities should be guided by the actual preferences and behaviour of customers, rely on evidence from a number of various sources, and consider this evidence in the round. The following sources of evidence are often likely to be important:
- the views of customers and competitors;
 - recipients' perceptions and information on which rivals they monitor and competitively interact with; and
 - information on rival products and services.
- 16.34. In many cases, this exercise will be straightforward. However, some cases will require additional evidence gathering on actual customer behaviour to assess whether certain products or services are important competitive alternatives. For example, it will depend on the local circumstances and behaviour of customers as to whether certain modes of transport (such as a bus route or rail connection) are important competitive alternatives to each other. Public authorities can obtain information on actual preferences from consumers, e.g., through a survey. In some sectors, intermediaries or other market participants¹⁰⁸ may also be able to provide information on customer behaviour and preference. This may be preferable in markets with a large number of customers.
- 16.35. A further complicating factor in identifying the most important competitive alternatives occurs when products or services are differentiated. A subsidy is likely to have greater effects on the suppliers of competitive alternatives that are less differentiated from the products and services of the beneficiary.
- 16.36. As mentioned above, important competitive alternatives do not need to be similar or fulfil the exact same purpose. Competitive alternatives can differ along dimensions such as quality or service levels. For instance, a luxury car is unlikely to be an important competitive alternative to a compact car. There are also markets where other dimensions are relevant. For instance, in broadcasting and publishing markets, a classical music radio station is unlikely to be an important competitive alternative to a contemporary music radio station. Similarly, a weekly tabloid is less likely to be an important competitive alternative to a daily newspaper.
- 16.37. Most products and services are differentiated even if some of them may appear to be similar. For instance, the otherwise homogenous service of providing electricity is differentiated by the different tariffs under which it is provided. Similarly, even though

¹⁰⁸ For instance, wholesalers, brokers, operators of marketplaces, purchasing organisations or administrators of framework agreements.

mineral water can be considered as homogenous, branding and other differentiators render this product somewhat differentiated.

- 16.38. As a result, products and services which are less differentiated from each other (e.g., two variable rate electricity tariffs, or two branded 'high-quality' mineral water bottles) are more important competitive alternatives to each other than to more differentiated ones (e.g., a variable and a fixed rate electricity tariff, or an own-label and a branded mineral water bottle).
- 16.39. There is then often no 'bright line' that can or should be drawn to distinguish which competitive alternatives are important and which are not. Products and services are commonly not either 'differentiated' or 'undifferentiated' (homogeneous); rather, differentiation is a sliding scale. Two strongly differentiated products or services will be less similar from the customers' point of view, and so the intensity competition between this pair will be lower than between a pair of less differentiated products.¹⁰⁹ Gathering this information will provide public authorities with an indication of which products and services will more likely and more strongly be affected by a subsidy.
- 16.40. The following sources of information to identify the most important competitive alternatives and differentiation between products and services may often be relevant: customer views; market research reports; bidding data from the recipient and competitors (for some products and services, such data can easily be obtained from intermediaries, operators of marketplaces or administrators of framework agreements); or evidence of customers switching between enterprises in response to price changes or changes in the availability of the products or services in question. Public authorities may also borrow from decisions in the field of antitrust and merger control that have considered the products or services in question.¹¹⁰

Geographic dimension

- 16.41. Having considered the product or service dimension, public authorities will need to consider whether products or services supplied from different geographic areas or over different distances are important competitive alternatives to the recipients' products and services affected by the subsidy.
- 16.42. Whenever the most important competitive alternatives are sufficiently similar across geographic areas, public authorities may consider these in combination. In some cases, however, it will be necessary to consider different geographic areas separately because of different competitive alternatives available to customers in each area.
- 16.43. In many cases, this assessment is straightforward; for instance, when the products or services of the beneficiaries and the important competitive alternatives are supplied

¹⁰⁹ In technical terms, the enterprises that represent the most important competitive alternatives will be those that recapture the most significant shares of sales in response to a price increase by the recipient.

¹¹⁰ See for instance: <https://www.gov.uk/cma-cases>.

locally and there are no significant competitive constraints from outside of a geographic area; when products or services are supplied nationally with no significant imports; or when the products or services concern transport connections between specific geographic locations. However, in some cases it will require additional evidence gathering to delineate the geographic area(s) relevant for the products or services in question.

16.44. To assess such differences, public authorities may consider information on, for instance:

- customers' views on the competitive performance of enterprises supplying different geographic areas or customer groups;
- differences in pricing, sales, advertising and marketing strategies, delivery costs or barriers to entry when supplying into an area or to a customer group;
- customer preferences, for instance how far customers are willing to travel to reach a supplier; and
- product characteristics such as perishability, i.e., how far a perishable product can be transported. In addition, information on the geographic scope of competition may be obtained from, for instance: information on enterprises' websites on the location of their outlets; information on enterprises' websites on their delivery areas; or transport network maps.

16.45. Examples of markets where the geographic scope of competition may require an area-by-area assessment of the most important competitive alternatives are:

- retail markets where enterprises have bricks-and-mortar outlets which customers commonly visit to shop, or consume products or services. As a result, the set of competitive alternatives may differ depending on the location of a particular customer.
- markets in which a good or service is delivered to the customer over certain a certain distance or within a certain geographic area. As a result, the set of competitive alternatives may also differ depending on the location of a particular customer;
- markets in which the provision of products or services is determined by physical infrastructure (e.g., telecommunications and broadcasting; water supply and sewerage; electricity, gas, or steam supply); and
- transport markets in which customers make 'point-to-point' journeys, and as such demand is for transportation between two geographic locations. As a result, competitive alternatives may differ for each 'point-to-point' journey.

Input and related markets

16.46. Public authorities should also identify whether a subsidy may have an impact on competition and investment in the UK, and international trade and investment, in input markets (e.g., raw materials, land, or labour) and products or services related to the recipient's activities affected by the subsidy. They should also consider the impacts of a

subsidy in any markets not directly targeted by a subsidy but in which it wants to correct a market failure or pursue an equity rationale. This may be the case for instance where a subsidy funds an activity in the supply of an upstream¹¹¹ (or downstream¹¹²) product or service with the intention of bringing about a change in a downstream (or upstream) market. Public authorities should follow the steps of the assessment set out in the sections above to identify the impact of the subsidy on each of these markets.

- 16.47. In relation to inputs, a subsidy can have effects on the markets for these inputs in two ways. First, it can directly be targeted at the procurement by the recipient of a particular type of input, for example an environmentally friendly alternative to a traditional input. Second, it can indirectly affect the procurement of specific inputs by targeting certain products and services supplied by the recipient. Public authorities therefore require a reasonable understanding of the production process of the beneficiary. This information can readily be obtained from recipients.
- 16.48. Many enterprises will buy more than a single input for the supply of a specific product or service and consequently inputs may come from different sets of suppliers. Public authorities should exercise their judgement to identify input products or services that may particularly be affected by the subsidy to apply the assessment in a commensurate manner and limit it to those markets where impacts on competition and investment in the UK, and international trade and investment are most likely to occur. Indicators of such effects are (i) a high degree of dependency between customers or suppliers and the recipient of the subsidy, (ii) where there is prima facie evidence (i.e., before having systematically identified the most important competitive alternatives) that the recipient may be the only or only one of very few suppliers or buyers of a particular good or service.
- 16.49. For these input products and services, the public authority should identify the most important competitive alternatives and the geographic scope of competition and then assess whether the subsidy may have an impact on competition and investment in the UK, and international trade and investment, in each of these input markets.
- 16.50. In relation to other related markets, it may in some cases also be necessary for public authorities to consider whether a subsidy affects those who distribute, wholesale, or retail the products or services of the recipient(s) and those that supply complementary products or services. As mentioned above, public authorities should exercise their judgement to identify related products or services that may be particularly affected by the subsidy to apply the assessment in a commensurate manner and limit it to those markets where impacts on competition and investment in the UK, and international trade and investment, are most likely to occur. Indicators of such effects are also (i) a high degree of dependency between the recipient of the subsidy and its customers or suppliers of complementary products or services, (ii) where there is prima facie

¹¹¹ For instance, an input such as a raw material.

¹¹² For instance, an output such as an intermediate or final product.

evidence (i.e., without having systematically identified the most important competitive alternatives) that the recipient may be the only or only one of very few suppliers of a particular good or service.

16.51. In each of these cases, the assessment set out in the sections above will enable the public authority to identify impacts on competition and investment in the UK, and international trade and investment, in any of these related markets.

Market Concentration

16.52. Having identified the most important competitive alternatives to the subsidy beneficiary and the market size, the public authority will be able to calculate the extent of market concentration. Market concentration measures how much market share is controlled by a small number of enterprises and therefore can be a useful proxy for the intensity of competition. In general, the fewer the enterprises in a market, the larger their share of the market, and the less competition one would expect to observe.

Concentration measures can be based on:

- the number of enterprises active in the market;
- volume (e.g., the number of products or services sold or the number of customers who use the products or services); or
- value (e.g., turnover).

16.53. The public authority may consider several measures of concentration in its assessment. Since many measures such as sales volumes and values of the most important competitive alternatives in the geographic area(s) of interest may often be commercially sensitive, the public authority may consider incorporating an obligation on all applicants for the subsidy to provide such information in its subsidy design.

16.54. If the affected market is concentrated, and the subsidy beneficiary is a major player, then it is more likely that competitors will alter their business in response to the subsidy. Conversely, a subsidy to a small or fringe enterprise with many competitors is less likely to have a significant impact on competition and investment in the UK, and international trade and investment.

Barriers to entry, expansion, and exit

16.55. Actual or potential competitors may encounter barriers which reduce or even severely hamper their ability to enter, expand into, or exit a market. Barriers to entry and expansion are specific features of a market that give incumbent enterprises advantages over potential competitors. Barriers to entry and expansion hinder the ability of potential entrants or enterprises looking to expand to constrain the exercise of market power by incumbents. Subsidies may also act as barriers to exit, leading to less efficient enterprises remaining in the market. This may in turn prevent more efficient or innovative competitors from growing or expanding into other areas of the market.

16.56. Public authorities should consider in their assessment of market characteristics that subsidies in markets with high barriers to entry, expansion, and exit are more likely to lead to negative effects on competition and investment in the UK, and international trade and investment. In addition, public authorities should design a subsidy in a way that limits barriers to entry, expansion or exit, therefore reducing the risk of impacts on domestic competition or investment or international trade or investment.

16.57. Barriers to entry and expansion can be caused for a range of reasons such as:

- high initial set-up costs where a significant proportion of them are sunk and irrecoverable upon exit from the market;
- customers value reputation, track record or brand of a supplier;
- economies of scale are significant (i.e., large suppliers have lower average costs than smaller ones);
- network effects are significant (i.e., small suppliers are less attractive to customers);
- technological or regulatory barriers are significant (i.e., intellectual property rights, trade barriers or regulations may hinder new entrants);
- early movers may have significant advantages over new entrants.

16.58. Barriers to entry and expansion might be particularly high if some of these factors are present in combination.

16.59. Depending on their design, subsidies can raise or lower barriers to entry, expansion, and exit. For example, a subsidy that is targeted to provide risk finance to small or new businesses may help newer enterprises compete with existing enterprises with a longer credit history. In contrast, a subsidy that is specifically limited to existing enterprises may inadvertently prevent the efficient entry and exit into the market.

16.60. The public authority should assess whether the subsidy has the potential to raise barriers to entry, expansion, or exit, including by creating or worsening any of the features listed above. All other things equal, a subsidy that raises barriers to entry, expansion, or exit is more likely to have a significant impact on competition and investment in the UK, and international trade and investment.

Market growth

16.61. Subsidies given in markets which are experiencing marked levels of growth are less likely to cause significant distortions to competition and investment in the UK, and international trade and investment. This is because a subsidy to one enterprise in such a market is less likely to harm a competitor's growth prospects, given the general growth opportunities in the sector.

16.62. Subsidies can cause significant distortions to markets in which, for several years, have experienced no growth or decline, or are at overcapacity. A subsidy to an enterprise in

such an industry can enable the beneficiary to increase its market share directly at the expense of competitors, as there is a fixed or reducing amount of business available. In these circumstances, public authorities should pay particular attention to any negative impacts of a subsidy on competitors.

- 16.63. As an example, a well-designed subsidy in an emerging and growing market such as the manufacture of fuel cell technology, is less likely to cause market distortions or create overcapacity. Similarly, a well-designed subsidy that creates a new market that does not yet exist or that focusses on untapped demand is less likely to create distortions.

17.

ANNEX 3: The value of a subsidy

The Government will make regulations on gross cash amount and gross cash equivalent, which set out how public authorities should value subsidies. This is particularly important where the subsidy is not given as a one-off grant. This annex will be included to explain how these regulations should be applied.

ANNEX 4: Glossary

Term	Definition
A	
Act, the	The Subsidy Control Act 2022
Agreement on Subsidies and Countervailing Measures (ASCM)	The WTO Agreement on Subsidies and Countervailing Measures establishes rules for WTO member states on the use of subsidies, as well as providing mechanisms for challenging government measures that contravene these rules
Ailing or Insolvent Enterprise	An enterprise that (a) would almost certainly go out of business in the short to medium term without subsidies, (b) is unable to pay its debts as they fall due, or (c) the value of its assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities
B	
Bank of England	The central bank of the United Kingdom
Beneficiary	Persons receiving a benefit or advantage (i.e., from a subsidy)
BEIS	Department for Business, Energy and Industrial Strategy
C	
Competition and Markets Authority (CMA)	The United Kingdom's competition and consumer law regulator
Competition Appeal Tribunal (the Tribunal)	A specialist judicial body with jurisdiction to hear and decide cases involving competition or

	economic regulatory issues within the United Kingdom
Commercial Market Operator (CMO) Principle	Principle by which financial assistance must confer an economic advantage on an enterprise to meet the definition of a subsidy
D	
DCMS	Department for Culture, Media and Sport
Defra	Department for Environment, Food and Rural Affairs
Devolved administrations/governments	The governments of Scotland, Wales and Northern Ireland
E	
Economic Activities	The offering of goods or services on a market
Energy and Environment Principles (E&E)	An additional set out principles that subsidies or schemes in relation to energy or environment must be assessed against.
Enterprise	Any person, or groups of persons under common control engaged in offering goods or services on a market
Equity Objective	These objectives aim to redistribute the benefits of economic activity between different groups in society or geographic areas.
EU State aid	Subsidy control regime with the European Union
Exemptions	Subsidies or schemes that are not subject to all or part of the Subsidy Control Requirements.
F	
Financial Assistance	A broad concept including any kind of support or market transaction that is considered to have a financial value for the recipient.
Financial Year	A period of 12 months ending 31 March

G	
H	
HMRC	His Majesty's Revenue and Customs
HMT	His Majesty's Treasury
I	
J	
K	
L	
Legacy Subsidy or Scheme	A subsidy given on or after the date on which section 48 of the Subsidy Control Act came into force; or a subsidy given in accordance with regulation (EC) No 1370/2007 of the European Parliament and of the Council on public passenger transport services by rail and by road
Local Authority	An administrative body in local government
M	
Minimal Financial Assistance	Subsidies given under section 36 of the Subsidy Control Act. Allows public authorities to award subsidies to recipients without the need to comply with the majority of the subsidy control requirements provided the subsidy does not exceed the financial threshold of £315,000 over the applicable period.
N	
Net Zero	The UK's commitment to be carbon neutral by 2050.
O	
P	
Pari passu	Financial assistance given at the same time and on the same terms as a significant investment by a private investor

Primary Public Authority	Any of the following: a Minister of the crown; the Scottish Ministers; the Welsh Ministers; a Northern Ireland department
Public Authority	Any person who exercises functions of a public nature.
Public Authority Portal	The online portal which public authorities can use to refer their assessment of subsidy or scheme to the Subsidy Advice Unit for a report
Q	
R	
RD&I	Research, development and innovation
S	
SAFA	Small amounts of financial assistance
Services of Public Economic Interest (SPEI)	Essential services provided by a public authority to the public which would not be provided under normal market conditions
SIC Codes	Standard Industrial Classification of economic activities (SIC) – a means of classifying a particular economic activity for statistical purposes, published by the Office of National Statistics
SPEI Assistance (SPEIA)	Subsidies given under section 38 of the Subsidy Control Act. Allows public authorities to award subsidies to SPEI recipients for SPEI services without the need to comply with the majority of the subsidy control requirements provided the subsidy does not exceed the financial threshold of £725,000 over the applicable period.
Streamlined Route	A type of subsidy scheme made by the UK Government for the use of any public authority in the UK.

Subsidies or Schemes of Interest (SSoI) and of Particular Interest (SSoPI)	Subsidies or schemes that have greater potential to lead to undue distortion and negative effects on competition or investment within the United Kingdom or on international trade or investment.
Subsidy Advice Unit (SAU)	Unit within the Competition and Markets Authority with responsibility for conferring advice on certain subsidies
Subsidy Control Requirements	The requirements stipulated by the Subsidy Control Act 2022
Subsidy Database	The database public authorities are required to upload certain information regarding their subsidies and schemes for transparency purposes
Subsidy Scheme	A scheme made by a public authority providing for the giving of subsidies under the scheme
T	
Trade and Cooperation Agreement (TCA)	The United Kingdom's free trade agreement with the European Union
TCO	Total cost of ownership
U	
V	
W	
Withdrawal Agreement	The United Kingdom's agreement with the European Union setting out the terms of the UK's exit from the EU
World Trade Organization	International body dealing with the rules of trade between nations.
X	
Y	
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Guidance

Subsidy Control rules: quick guide to key requirements for public authorities

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This quick guide can help public authorities understand the UK subsidy control rules established under the Subsidy Control Act 2022 (**the Act**) and how they apply in practice.

The quick guide provides an overview of the key requirements set out in the Act. These requirements are explained in more detail in the [UK subsidy control statutory guidance](https://www.gov.uk/government/publications/uk-subsidy-control-statutory-guidance) (<https://www.gov.uk/government/publications/uk-subsidy-control-statutory-guidance>) ^[footnote 1]. The guide is not a substitute for the statutory guidance. It is a short reference document on the key aspects of the UK's subsidy control regime and its application, and provides an outline of the overall framework of the subsidy control regime, for those giving subsidies.

The quick guide should not be used in isolation when designing subsidies. Those responsible for giving subsidies should always ensure that they fully understand the subsidy control requirements and satisfy themselves that their policies or projects are compliant. In practice, this will often require officials to refer to the statutory guidance as well as to the Act itself. Public authorities should also seek their own legal advice if, and where, they are unsure of their legal obligations or the lawfulness of a proposed subsidy or scheme.

Thinking about the subsidy control requirements early on will help minimise the legal risks attaching to financial assistance. If you are a public authority, you should check your subsidy or scheme complies with the subsidy control requirements before you pay out any money or give other assistance. This helps to protect you from legal challenges, which could mean having to suspend your policy measure and recover money from recipients because it was paid out without complying with the subsidy control requirements.

Public authorities with further questions about their obligations under the Act are encouraged to contact with the BEIS subsidy control team or other specialist subsidy control teams, who can provide support and guidance on the application of the subsidy control requirements. Contact details for these teams are provided in the 'Further help' section at the end of this quick guide.

This guidance does not cover subsidies or subsidy schemes subject to article 10 of the Northern Ireland Protocol. For further information, see the [guidance on the UK's international subsidy control commitments](https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments) (<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>).

An introduction to subsidy control

A subsidy is where a public authority provides support to an enterprise that gives them an economic advantage, meaning equivalent support could not have been obtained on commercial terms. This could include, for example, a cash payment, a loan with interest below the market rate or the free use of equipment or office space. A fuller definition of a 'subsidy' is provided in [Step 1](#) of this guide. Subsidies are administered by all levels of government in the UK, including central

government, devolved administrations, and local authorities, as well as other types of public authority.

Subsidies should be given in the public interest, to address a market failure or equity concern. For example, a subsidy could incentivise businesses to do research and development that increases economic productivity and wider prosperity, to increase the use of low-carbon technology, or to extend access to cultural or educational amenities.

However, without proper controls, subsidies can cause economic harm or distortive effects. Subsidies can give recipients an unfair advantage over their competitors or be an inefficient use of public money if they do not bring about net positive change.

To minimise these risks and increase the likelihood that subsidies achieve positive outcomes, the UK subsidy control regime regulates subsidies given in the UK to prevent any excessively distortive or harmful effects. The regime is designed to be flexible, to allow public authorities to support business growth and innovation, promoting competition and investment in the UK. Under the regime, public authorities can deliver subsidies that are tailored to local needs to deliver their strategic priorities.

This step-by-step guide is for public authorities that are considering providing support that may be classed as a subsidy. Following these steps will help ensure that any such support provided is consistent with the subsidy control requirements in the Act.

[**Step 1 – Determine whether the support is a subsidy**](#)

[**Step 2 – Check whether the subsidy or scheme needs to be assessed against the subsidy control requirements**](#)

[**Step 3 – Ensure the subsidy or scheme complies with the prohibitions and conditions**](#)

[**Step 4 – Design the subsidy to ensure compliance with the subsidy control principles**](#)

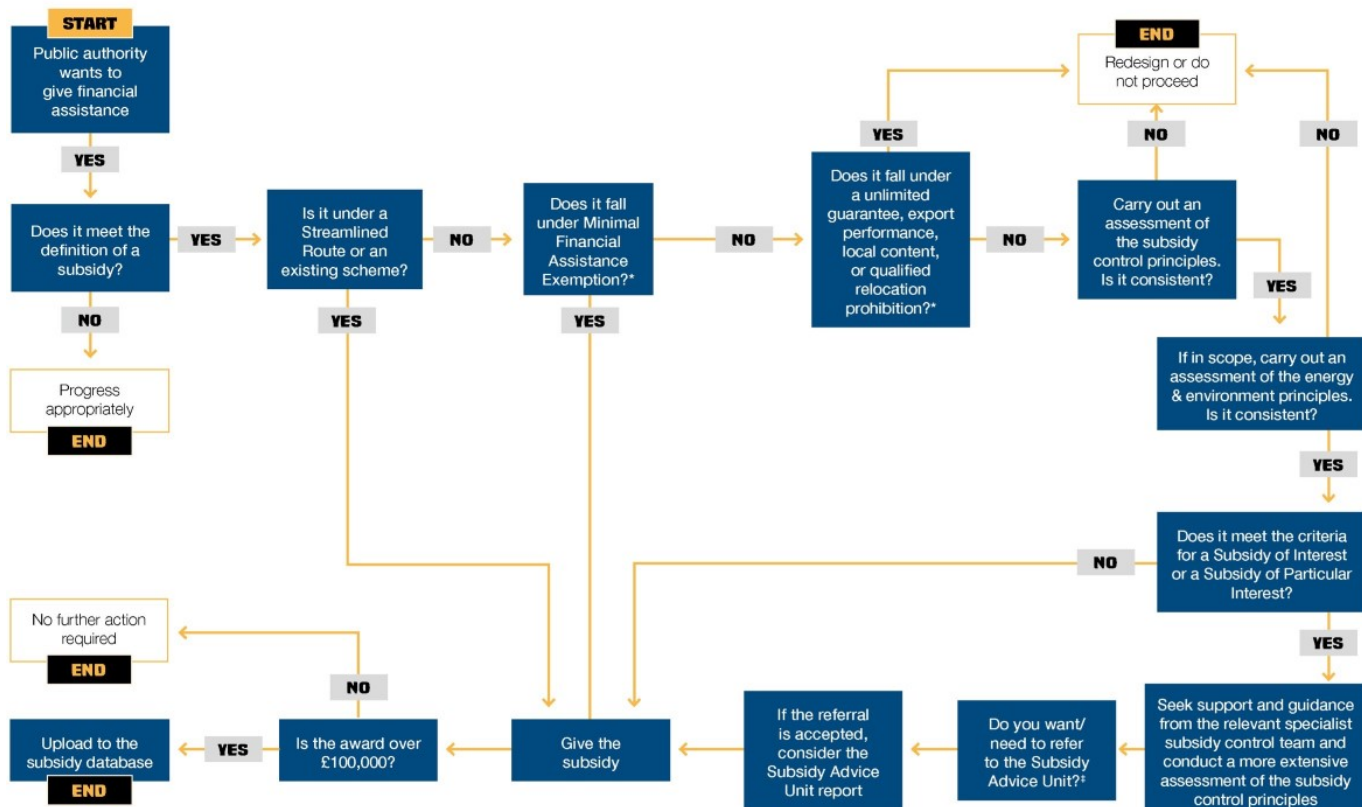
[**Step 5 – Check the criteria for subsidies or schemes of interest or particular interest, and consider referral to the Subsidy Advice Unit**](#)

[**Step 6 – Publish the subsidy or scheme on the subsidy database**](#)

[**Step 7 – Understand the risk of challenge**](#)

Subsidy control process map

Subsidy control process map



*Additional exemptions and prohibitions exist

‡ SAU referral is required for Subsidies of Particular Interest and voluntary for Subsidies of Interest. All referrals of Subsidies of Particular Interest will be accepted while the SAU has discretion over referrals of Subsidies of Interest.

Download an image of the subsidy control process map

(https://www.gov.uk/government/uploads/system/uploads/attachmentata/166940/subsidy_control_process_map.svg).

Step 1 – Determine whether the support is a subsidy

Public authorities must first establish whether the support (known in the Act as ‘financial assistance’) [\[footnote 2\]](#) they are proposing to provide amounts to a subsidy under the regime.

If your answer to all 4 of the following questions is ‘yes’, your assistance is a subsidy. If one or more of your answers are ‘no’, it is not a subsidy. If you are unsure, more detail is provided in the statutory guidance (see also [Further Help](#)).

1. Is the financial assistance given, directly or indirectly, from public resources by a public authority?

‘Public authority’ includes any entity which exercises functions of a public nature. This includes public authorities at any level of central, devolved, regional or local government and non-governmental bodies that are performing a public function.

‘Public resources’ include public funds that are administered by the UK government, the devolved governments, or local authorities, whether they are given directly, through public bodies (such as agencies), or through private bodies.

2. Does the financial assistance confer an economic advantage on one or more enterprises?

The recipient must be an 'enterprise': any entity engaged in an economic activity, which means offering goods and services on a market.

The financial assistance must confer an economic advantage, meaning that it is provided on favourable terms. Financial assistance will not confer an economic advantage if it could reasonably be considered to have been obtained on the same terms on the market.

3. Is the financial assistance specific? That is, has the economic advantage been provided to one (or more than one) enterprise, but not to others?

This covers financial assistance that is provided to specific beneficiaries determined on a discretionary basis by the government, as well as assistance that benefits (directly or indirectly) only enterprises in a particular sector, industry or area, or with certain characteristics.

4. Will the financial assistance have, or is it capable of having, an effect on competition or investment within the UK, or trade or investment between the UK and another country or territory?

To constitute a subsidy, the assistance must have a genuine effect that is more than incidental or hypothetical on competition or investment in the UK, or on international trade or investment.

Subsidy schemes

The subsidy control regime makes provision not only for the giving of standalone subsidies, but also for the making of subsidy schemes. A subsidy scheme is a scheme made by a public authority providing for the giving of subsidies.

If you are considering awarding several similar subsidies to different recipients for the same purpose, you can make a subsidy scheme to reduce the administrative burden. A subsidy scheme will set out rules that describe the eligibility, terms and conditions for subsidies that may be given under the scheme. Any public authority can design a scheme and then give subsidies under that scheme, provided the scheme is consistent with the subsidy control principles and other requirements in the Act.

Not all policies, programmes or projects that distribute subsidies can be considered schemes under the Act – even if they are labelled as a scheme. Some public authorities may prefer to assess compliance with the subsidy control principles [\[footnote 3\]](#) for each individual subsidy given under their programme; since the subsidies are assessed separately, the programme is not considered a subsidy scheme.

Schemes can also be created by public authorities (known as 'primary public authorities') for the use of other public authorities within the areas in which they

exercise their responsibilities – for example, the devolved governments can make schemes for the use of their local authorities.

Streamlined routes

Streamlined routes (referred to as ‘streamlined subsidy schemes’ in the Act) are a type of subsidy scheme, made by the UK government, that public authorities can use for subsidies that align with the government’s strategic priorities (such as promoting innovation). They offer pre-assessed routes for public authorities to award subsidies more quickly.

Step 2 – Check whether the subsidy or scheme need to be assessed against the subsidy control requirements

Once you have established that your proposed assistance amounts to a subsidy, you will need to consider whether the subsidy or scheme needs to comply with the subsidy control requirements, including the subsidy control principles.

If your proposed subsidy falls under a streamlined route or a legacy scheme, you will not need to assess compliance with the subsidy control requirements. You should also consider whether there are available exemptions that you wish to rely on, including the minimal financial assistance exemption for small subsidies. All other subsidies and schemes will need to be assessed against the subsidy control principles and other requirements.

Streamlined routes

As explained under [Step 1](#), streamlined routes are pre-assessed by the UK government as compliant with the subsidy control principles. Accordingly, if you intend to award a subsidy under one of the streamlined routes, you do not need to assess the subsidy against the principles (as this has already been done by the UK government). You must, however, ensure that the subsidy satisfies the specific streamlined route eligibility criteria, terms and conditions.

Third parties cannot challenge a subsidy given correctly under a streamlined route, but your subsidy may be challenged on the basis that it is not compliant with the route.

At the time of the subsidy control regime coming into force, there are three streamlined routes available to public authorities supporting the following UK government priorities:

- research, development and innovation
- net zero
- local growth

Refer to the [Subsidy Control regime page](https://www.gov.uk/government/collections/subsidy-control-regime) (<https://www.gov.uk/government/collections/subsidy-control-regime>) for the latest list of available streamlined routes.

Subsidies given under legacy schemes

Legacy schemes are schemes that were in existence prior the Act coming into force. Legacy schemes, and the award of subsidies under them (known as legacy subsidies), may continue indefinitely if provided for under the original terms of the scheme.

If you are awarding subsidies under a legacy scheme, you do not need to assess the scheme against the subsidy control principles or comply with the other subsidy control requirements. However, the transparency requirements (described in [Step 6](#)) will still apply to any subsidies you give under the scheme after the Act has come into force (unless your subsidy is given in relation to agriculture or fisheries [\[footnote 4\]](#) or to the audiovisual sector, in which case the transparency requirements do not apply).

Subsidies given in accordance with Regulation (EC) No 1370/2007 of the European Parliament and of the Council on public passenger transport services by rail and by road should also be considered as legacy subsidies, and are not subject to the subsidy control transparency requirements.

Further information on these provisions can be found in chapter 9 ('legacy subsidies and permitted modifications') of the statutory guidance.

Permitted modifications

If a public authority makes modifications to a subsidy that has already been given, or a subsidy scheme that has been made, this will generally be treated as a new subsidy or subsidy scheme and therefore require a new assessment against the subsidy control principles.

However, public authorities may make certain minor modifications ('permitted modifications') to a subsidy or subsidy scheme without having to complete a further assessment of the altered subsidy or scheme against the subsidy control principles or comply with the other subsidy control requirements. In summary, these are making minor administrative changes, increasing the budget of the scheme or value of the subsidy by up to 25%, or extending the length of the scheme by up to six years.

Changes to the scheme must be uploaded to the database (see transparency requirements in [Step 6](#)).

A full list of permitted modifications is provided in chapter 9 ('legacy subsidies and permitted modifications') of the statutory guidance.

Exemptions

The Act provides for exemptions from the subsidy control requirements in certain circumstances. The key exemptions for public authorities to be aware of, and to consider when designing subsidies, are those which apply to low-value subsidies and those given in emergency situations, such as natural disasters or economic emergencies.

Minimal financial assistance

Minimal financial assistance (MFA) allows public authorities to award low-value subsidies (up to £315,000) without the need to comply with the majority of the subsidy control requirements.

MFA subsidies are exempt from the substantive subsidy control requirements, meaning that subsidies given as MFA will not need to be assessed against the subsidy control principles or energy and environment principles.

However, there are two prohibitions that apply to all subsidies including MFA. These are the prohibition on giving subsidies relating to goods for export performance and the prohibition on domestic content [\[footnote 5\]](#). MFA subsidies over £100,000 are also subject to the transparency rules described in [Step 6](#).

MFA is capped at a threshold of £315,000, meaning that no individual recipient can receive more than this amount over the applicable period (3 financial years) [\[footnote 6\]](#). MFA subsidies are subject to cumulation rules, under which MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or (SPEI) financial assistance' [\[footnote 7\]](#). It also includes any aid given under the EU state aid de minimis regulations and subsidies given as small amounts of financial assistance under the UK–EU Trade and Cooperation Agreement after 31 December 2020 but before this section of the Act comes into force. This prevents enterprises being able to receive many subsidies that are individually of low value, but that cumulatively exceed the £315,000 threshold.

It is not compulsory to use the MFA exemption for small awards. If you decide not to rely on the MFA exemption for such an award, you will need to assess the subsidy against the subsidy control principles and comply with the other subsidy control requirements as would ordinarily be the case without an exemption.

When deciding whether to use the MFA exemption, public authorities should be aware that additional MFA cannot be given to a beneficiary that has already reached their MFA threshold. Consequently, it is important to note that if you give a particular subsidy as MFA, it will mean the beneficiary is limited in being able to receive further subsidies as MFA in the future.

How to give an MFA subsidy

If you are a public authority awarding a subsidy as MFA, you will need to comply with the following procedural requirements.

Before awarding the subsidy, provide the intended recipient enterprise with an 'MFA notification'. An MFA notification is a written statement that includes all of the following:

- an explanation that the public authority is proposing to give the enterprise a subsidy by way of MFA
- specifies the gross value amount of the assistance
- a request for written confirmation from the enterprise that the MFA threshold specified in section 36(1) of the Act will not be exceeded by the enterprise receiving the proposed assistance

When awarding the subsidy, provide the intended recipient enterprise with an 'MFA confirmation'. An MFA confirmation is a written statement confirming:

- that the subsidy is given as MFA
- the date on which it is given
- the gross value amount of the assistance.

The enterprise must keep a record of this information for at least three years beginning on the date on which the subsidy was given.

You can only award the subsidy when you have received confirmation from the recipient enterprise that the MFA threshold will not be exceeded by the enterprise receiving the proposed assistance.

Public authorities can satisfy these requirements as part of the standard communications between the authority and an enterprise before a subsidy is given, for example using email or automated online processes or forms. An example of text that could be used as part of an MFA notification letter is included in chapter 7 ('minimal and SPEI financial assistance') of the statutory guidance.

Services of public economic interest assistance

A similar exemption to MFA is available for subsidies for services of public economic interest, known as 'services of public economic interest assistance' (SPEIA). These subsidies can be given up to the higher threshold of £725,000 without having to comply with the majority of the subsidy control requirements. Further information about SPEIA can be found in chapter 7 ('minimal and SPEI financial assistance') of the statutory guidance.

General exemptions: emergencies

Subsidies given to compensate for the damage caused by natural disasters or other exceptional circumstances (such as rare and unforeseeable events like a pandemic) are not subject to the subsidy control requirements. A public authority may only rely on this exemption if the Secretary of State has published a notice declaring that it applies in respect of a particular natural disaster or occurrence.

Subsidies given in response to a national or global economic emergency are subject to subsidy control requirements but are exempt from the prohibitions and certain other restrictions [\[footnote 8\]](#). Economic emergencies will typically entail sudden and severe disruption to global economic trading relationships, or cause systems risks to critical national economic or financial infrastructure. An exemption

on this ground may only be relied upon where a notice is published by the Secretary of State declaring that it applies in respect of that emergency.

Public authorities seeking to rely on either of the emergencies exemptions should contact the BEIS subsidy control team (see the 'Further help' section below) to discuss whether the exemption applies and to seek a notice from the Secretary of State.

Other exemptions

There are other circumstances in which the subsidy control requirements do not apply, such as the Bank of England's monetary policy activities or subsidies given to safeguard national security. These other exemptions will not be relevant to most public authorities giving subsidies, however, for further information you can refer to chapter 8 ('other exemptions') of the statutory guidance.

Step 3 – Ensure the subsidy or scheme complies with the prohibitions and conditions

The subsidy control regime prohibits some categories of subsidy outright (prohibitions) and imposes other requirements (conditions) in relation to the giving of certain other subsidies.

When designing a subsidy or subsidy scheme, you will need to consider the prohibitions and conditions and how they might apply to the support you intend to provide. With respect to schemes, a scheme is prohibited to the extent that it provides for the giving of a prohibited subsidy. Before making a scheme, you should ensure that the eligibility criteria, terms and conditions of the scheme do not allow you to award a prohibited subsidy.

The categories of subsidy that are prohibited outright under the Act.

Unlimited guarantees

Any subsidy that would guarantee an unlimited amount of liabilities or debts, or that would guarantee a finite amount of liabilities or debts but over an indefinite period, is prohibited.

Export performance

A subsidy that is contingent upon export performance relating to goods or services is prohibited^{[\[footnote 9\]](#)}. In practice this means that public authorities cannot make the award of a subsidy contingent on a recipient agreeing to increase its level of exports to customers abroad. A public authority is free to award subsidies to recipients that export during the course of their ordinary business.

Use of domestic goods or services

Subsidies that are contingent on the use of domestically produced goods or services, often known as ‘local content’ subsidies, are prohibited [\[footnote 10\]](#). Goods are considered domestic if they originate in the UK [\[footnote 11\]](#). In practice this means that public authorities cannot make the award of a subsidy contingent on a recipient agreeing to buy or hire a percentage or amount of their business inputs (or staff) from within the UK. A subsidy recipient that (after being awarded a subsidy) independently decides to increase the level or percentage of UK goods or services is not considered to be caught by the local content prohibition.

The following categories of subsidy may be given, provided they are designed to meet (and the public authority can demonstrate that they meet) certain conditions.

Relocation of activities

A subsidy that contains a condition requiring an enterprise to relocate all or part of its economic activities from one part of the UK to another, where the relocation would not occur without the subsidy is prohibited [\[footnote 12\]](#). However, this prohibition does not apply if a public authority can demonstrate that the effect of the subsidy will be to reduce social or economic disadvantage, in the local area and across the UK, and the subsidy is designed to bring about a change in the size, scope or nature of the existing economic activities of the enterprise. Relocation subsidies of more than £1 million will also be subsidies of particular interest, and must be referred to the **Subsidy Advice Unit (SAU)** (see [step 5](#)) before they are granted; all other relocation subsidies below £1 million will be subsidies of interest. Further information on relocation subsidies can be found in chapter 5 (‘prohibitions and other requirements’) of the statutory guidance.

Services of public economic interest (SPEI)

These are essential services (such as postal services) provided to the public that, without subsidy support, would not be supplied in an appropriate way or may not be supplied at all by the market. A public authority intending to provide a subsidy to an enterprise for the provision of SPEI must comply with certain substantive and procedural requirements to provide the SPEI subsidy. These include applying the subsidy control principles and satisfying itself that the subsidy is: limited to what is necessary to deliver the service; transparent; regularly reviewed; and that the duty to include information in the subsidy database is satisfied.

Rescue and restructure

The Act also prohibits rescuing or restructuring subsidies to ailing or insolvent enterprises unless certain requirements are met. Details of these requirements can be found in chapter 5 (‘prohibitions and other requirements’) of the statutory guidance.

Further categories of subsidy that are prohibited unless certain conditions are satisfied include: subsidies for insurers that provide export credit insurance, subsidies for air carriers for the operation of routes, and subsidies or schemes subject to mandatory referral [\[footnote 13\]](#). Further information on the conditions applying to such subsidies can be found in chapter 5 (‘prohibitions and other requirements’) of the statutory guidance.

Step 4 – Design subsidy to ensure compliance with the subsidy control principles

The subsidy control principles

Under the Act all subsidies and subsidy schemes are permitted where a public authority considers that they are consistent with the subsidy control principles and other conditions unless they are specifically prohibited (see [Step 3](#)).

If you are a public authority designing a subsidy, or subsidy scheme, you should carefully consider the subsidy control principles as part of the subsidy design process and assess the subsidy or scheme for compliance with those principles. You must not give a subsidy, or make a scheme, unless you reach the view that it is consistent with the subsidy control principles.

The 7 principles that public authorities must consider when giving a subsidy or making a scheme are as follows.

Principle A

Common interest – subsidies should pursue a specific policy objective in order to remedy an identified market failure or address an equity rationale (such as local or regional disadvantage, social difficulties or distributional concerns).

Principle B

Proportionate and necessary – subsidies should be proportionate to their specific policy objective and limited to what is necessary to achieve it.

Principle C

Designed to change economic behaviour of beneficiary – subsidies should be designed to bring about a change of economic behaviour of the beneficiary. That change, in relation to a subsidy, should be conducive to achieving its specific policy objective, and something that would not happen without the subsidy.

Principle D

Costs that would be funded anyway – subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.

Principle E

Least distortive means of achieving policy objective – subsidies should be an appropriate policy instrument for achieving their specific policy objective and that objective cannot be achieved through other, less distortive, means.

Principle F

Competition and investment within the UK – subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition and investment within the UK.

Principle G

Beneficial effects should outweigh any negative effects – subsidies' beneficial effects (in terms of achieving their specific policy objective) should outweigh any negative effects, including in particular negative effects on competition and investment within the UK, and on international trade and investment.

If a public authority is designing a new subsidy or subsidy scheme that meets the criteria for a subsidy or scheme of interest (SSoI) or a subsidy or scheme of particular interest (SSoPI), they are advised to also follow the steps set out in annex 2 of the statutory guidance when making their assessment against the subsidy control principles. Annex 2 describes additional in-depth assessments for SSoIs and SSoPIs that public authorities can use to ensure that the subsidy or scheme is consistent with the principles, such as providing more extensive analysis on the potential distortive impacts of a subsidy and how to minimise potential distortions.

Assessment for subsidy schemes

If you are a public authority designing a new subsidy scheme, you will need to ensure that any subsidy given under the scheme would comply with the subsidy control requirements. This will allow you to give subsidies under the scheme without delay in future.

The steps required to assess a subsidy scheme are similar to the steps required when assessing the individual subsidy. This assessment should focus on the 'edge cases' – in other words, the subsidies that could reasonably be given under the terms of that new scheme that have the highest risk of not complying with the principles.

If a subsidy falls under an existing scheme, including a streamlined route, then there is no need to carry out a separate assessment. A principles assessment will only need to be carried out once, at the scheme level; subsidies awarded under the terms of a scheme are then judged to be compliant with the principles.

The assessment framework

To assist public authorities in designing subsidies and subsidy schemes that are consistent with the subsidy control principles, the statutory guidance provides a four-part assessment framework to help public authorities ensure that a subsidy is consistent with these principles [\[footnote 14\]](#). Public authorities are advised to follow the following 4 steps.

Assessment framework step 1: Identifying the policy objective, ensuring it addresses a market failure or equity concern, and determining whether a

subsidy is the right tool to use [\[footnote 15\]](#). Public authorities may only give a subsidy to pursue a specific policy objective that remedies a market failure or addresses an equity concern (redistributing resources between different groups or areas more fairly), or both. As such, a public authority should in its assessment provide details of the specific policy objective it is trying to achieve (i.e. its purpose); establish the existence of a market failure, equity concern, or both; and demonstrate how the subsidy will help to remedy it. It should then set out why a subsidy is the most appropriate way for achieving the policy objective and why other means are not deemed appropriate.

Assessment framework step 2: Ensuring that the subsidy is designed to create the right incentives for the beneficiary and bring about a change [\[footnote 16\]](#). Public authorities should first assess what would happen in the absence of the subsidy (in other words, determining the baseline for assessing change). They will then need to show how the subsidy will lead to a change in the economic behaviour of the beneficiary (and therefore brings about something that would not have occurred without the subsidy) which assists with achieving the policy objective. Where possible and reasonable, public authorities will need to design schemes in such a way as to exclude any groups of beneficiaries where it can be reasonably determined in advance that there is unlikely to be additional benefits that wouldn't have otherwise happened in the absence of the subsidy.

Assessment framework step 3: Considering the distortive impacts the subsidy may have and keeping them as low as possible [\[footnote 17\]](#). Public authorities should demonstrate how the subsidy is proportionate and has been designed to minimise any negative effects on competition and investment within the United Kingdom while allowing it to meet the policy objective. This should include details of how the public authority has considered the following subsidy characteristics (where relevant):

- the nature of the instrument
- the breadth of beneficiaries and the selection process
- the size of the subsidy
- the timespan over which the subsidy is given
- the nature of the costs being covered
- the performance criteria
- ringfencing
- monitoring and evaluation

Assessment framework step 4: Carrying out the balancing exercise whereby the public authority must establish that the benefits of the subsidy outweigh its potential negative effects [\[footnote 18\]](#). This will involve the public authority assessing the subsidy's expected benefits (as they relate to the policy objective) and its anticipated negative effects, including in particular, negative effects on competition and investment within the UK, and international trade and investment. This assessment may involve both quantitative and qualitative elements.

In carrying out their assessment, public authorities must ensure that the depth of their analysis of a subsidy or subsidy scheme (that is, the assessment of its compliance with the subsidy control principles) is commensurate with the size and the potential distortive impact of the subsidy, or subsidies given under the scheme. Analysis can be less detailed where the subsidy is relatively low in value or is less likely to cause distortion or other adverse effects, but more detailed where the opposite is true.

Further information about how public authorities should assess their proposed subsidies and subsidy schemes against the principles can be found in chapter 3 ('subsidy design and assessment') of the statutory guidance and in the assessment template.

Energy and environment principles

Subsidies and schemes relating to energy, the environment or both must be assessed against certain additional principles relating to energy and the environment (**the E&E principles**), in addition to complying with the subsidy control principles. The E&E principles are in line with the UK's net zero commitment.

The E&E principles apply only to subsidies given and schemes made where the specific policy objective [\[footnote 19\]](#) (or one of the objectives) relates to energy, the environment, or both. For example, a subsidy to encourage innovation in renewable energy production, or to improve recycling among small businesses, must be consistent with the E&E principles.

Principles A and B apply to all subsidies in relation to energy or the environment (or both):

Principle A – aim of subsidies in relation to energy and environment

Subsidies in relation to energy and environment shall be aimed at and incentivise the beneficiary in:

- (a) delivering a secure, affordable and sustainable energy system and a well-functioning and competitive energy market, or
- (b) increasing the level of environmental protection compared to the level that would be achieved in the absence of the subsidy.

Principle B – subsidies not to relieve beneficiary from liabilities as a polluter

Subsidies in relation to energy and environment shall not relieve the beneficiary from liabilities arising from its responsibilities as a polluter under the law of England and Wales, Scotland or Northern Ireland.

Public authorities giving subsidies in the following categories must consider one or more of the subsequent principles (C to I):

- subsidies for electricity generation adequacy, renewable energy or cogeneration

- subsidies in the form of partial exemptions for energy-related taxes and levies
- subsidies that compensate electricity-intensive users for increases in electricity costs
- subsidies for decarbonisation of industrial emissions
- subsidies for improving energy efficiency of industrial activities

Information on the principles is set out in chapter 4 ('energy and environment principles') of the statutory guidance.

Step 5 – Check the criteria for subsidies or schemes of interest or particular interest and consider referral to the Subsidy Advice Unit

Public authorities when designing subsidies and subsidy schemes should consider whether their subsidy or scheme meets the definition of a subsidy or scheme of interest (SSoI) or of particular interest (SSoPI). SSoIs and SSoPIs are two distinct categories of subsidy or subsidy scheme that have been identified as having greater potential to lead to negative effects on competition or investment in the UK, or on international trade or investment.

In addition to the recommendation for public authorities to conduct a more in-depth principles assessment in respect of these categories of subsidy (see [Step 4](#)) [\[footnote 20\]](#), public authorities designing SSoIs have the option to refer and for SSoPIs are required to refer the subsidy or scheme to the Subsidy Advice Unit (SAU) for independent evaluation.

Is your subsidy or scheme an SSoI or SSoPI?

Subsidies of particular interest are subsidies that meet any of the following criteria:

- subsidies granted outside of sensitive sectors [\[footnote 21\]](#) if they are over £10 million, or if they are over £1 million and would cumulate above £10 million together with other related subsidies given within the previous 3 financial years
- subsidies granted in sensitive sectors if they are over £5 million, or if they are over £1 million and would cumulate above £5 million together with other related subsidies given within the previous 3 financial years
- restructuring subsidies
- subsidies that are explicitly conditional on relocation and meet the conditions set out for an exemption from the general prohibition in section 18 of the Act, that have a value exceeding £1 million

Subsidies of interest are subsidies that meet any of the following criteria:

- subsidies that do not meet the criteria for a subsidy of particular interest and that are between £5 million and £10 million, or that cumulate to such a value together with other subsidies given within the previous three financial years [\[footnote 22\]](#)

- rescue subsidies
- tax subsidies
- subsidies that are explicitly conditional on relocation and meet the conditions set out for an exemption from the general prohibition in section 18 of the Act, and that have a value of £1 million or below

Schemes which allow for the giving of one or more subsidy of particular interest qualify as schemes of particular interest. Schemes which allow for the giving of one or more subsidy of interest (but not of particular interest) are schemes of interest.

Referral to the Subsidy Advice Unit

Public authorities designing SSols or SSoPIs may also need to refer their subsidy assessment to the SAU for independent evaluation of the principles assessment.

Mandatory referral for an SSoPI

If a subsidy or scheme meets the definition of a SSoPI, the public authority giving the subsidy or making the scheme must refer their assessment of the subsidy or scheme to the SAU for independent evaluation before the subsidy is given or the scheme is made.

Voluntary referral for an SSol

If a subsidy or scheme meets the definition of an SSol, the public authority may choose to refer their assessment of the subsidy or scheme to the SAU for independent evaluation before the subsidy is given or the scheme is made, but the public authority is not required to do so.

In relation to the design of subsidy schemes, any referral to the SAU must take place before the scheme is made – and not when individual subsidies are awarded under the scheme.

Public authorities should be aware that the Secretary of State may direct that they request a report from the SAU in relation to any proposed subsidy or subsidy scheme [\[footnote 23\]](#).

Role of the SAU

The SAU is a unit within the Competition and Markets Authority whose role is to evaluate public authorities' own assessments in respect of SSols or SSoPIs [\[footnote 24\]](#).

The SAU must accept the referral of any SSoPI from a public authority (a mandatory request for review), where the necessary information has been provided to the SAU. However, in the case of an SSol (a voluntary request), the SAU can decide whether it will review the subsidy or scheme and will be guided by its published prioritisation principles in making this decision.

Once the SAU accepts a request for review of an SSol or SSoPI, it will have 30 working days [\[footnote 25\]](#) to evaluate the public authority's assessment of the subsidy or scheme against the subsidy control requirements and to publish a report. The report will contain the SAU's evaluation of the public authority's assessment and may also make recommendations on how the authority can improve the design and assessment of the subsidy or scheme concerned.

As the SAU's function is advisory only, it does not have the power to prohibit the making of any subsidy or subsidy scheme. Public authorities can decide whether to follow the advice offered by the SAU. The SAU's report will support public authorities in ensuring that their subsidy decisions are based on a sound assessments.

In the case of the mandatory referral of an SSoPI, a public authority must wait until after the SAU has published its report and an additional 5 working day cooling-off period has expired before it can give the subsidy or make the scheme. However, in the case of an SSol, a public authority can give the subsidy or make the scheme at any point throughout the process of voluntary referral to the SAU.

Details of what information you should include when making a subsidy referral request can be found in chapter 11 ('Subsidy Advice Unit referrals' of the statutory guidance. You should also refer to the SAU's published guidance on the operation of its subsidy control functions [\[footnote 26\]](#).

Step 6 – Publish the subsidy or scheme on the subsidy database

The Act imposes transparency obligations on public authorities awarding subsidies to promote accountability and enable the public to see how money is spent. Public authorities must ensure that where they are required to do so, the details of subsidies they award, or subsidy schemes they make, are uploaded to the subsidy database. This may include information of a commercially sensitive nature to the beneficiaries of subsidies or schemes.

Public authorities can upload subsidy information to the database via the manage UK subsidies portal [\[footnote 27\]](#). To register as a user of the database and for any uploading queries contact subsidydatabase@beis.gov.uk.

Which subsidies and schemes need to be uploaded to the subsidy database?

The details of all standalone subsidy awards must be uploaded (unless an exemption in part 3 of the Act applies). There is no threshold below which there is an exemption from the obligation to upload a standalone award to the subsidy database [\[footnote 28\]](#). However, any awards of MFA or SPEIA only need to be uploaded to the database where those awards exceed £100,000.

The details of all subsidy schemes must also be uploaded (unless an exemption in part 3 of the Act applies), no matter the budget. However, subsidy awards given under schemes only need to be uploaded if they exceed £100,000.

When do public authorities have to upload the subsidy information?

Subsidies and schemes must be uploaded to the subsidy database within 3 months of the public authority's confirmation of its decision to give the subsidy or make the subsidy scheme. For subsidy awards in the form of tax measures, the deadline for upload to the database is one year from the date of the tax declaration. Tax subsidy schemes must still be uploaded within 3 months.

Step 7 – Understand the risk of challenge

The Competition Appeal Tribunal (the Tribunal) has jurisdiction to review subsidy decisions made by public authorities. A subsidy decision is a decision by a public authority to give a subsidy or make a subsidy scheme.

Which decisions can be challenged?

Interested parties may apply to the Tribunal for a review of the following subsidy decisions (reviewable subsidy decisions):

- the decision to give a subsidy (a standalone subsidy not given under a scheme)
- the decision to create a subsidy scheme, including a streamlined route

A decision by a public authority to give a subsidy under a scheme (including any streamlined route) cannot be challenged because the eligibility criteria and terms and conditions of the scheme should ensure that all subsidies given under it are consistent with the principles and are not prohibited. If an interested party wishes to challenge a subsidy under a scheme, then they must challenge the scheme itself.

However, this protection only applies if a subsidy genuinely falls within the terms of the scheme or route. If it does not, then the public authority should have treated it as an individual subsidy. An interested party can challenge a subsidy given under a scheme if there are grounds to believe that the subsidy did not meet the eligibility criteria and terms and conditions of the route, and therefore that the public authority should have conducted an assessment against the principles and prohibitions before giving the subsidy.

What are the grounds of review?

When reviewing subsidy decisions, the Tribunal will apply the principles of judicial review. The tribunal will not review the merits or effectiveness of a subsidy or subsidy scheme, but only whether it was lawful.

The Tribunal may review subsidy decisions on general public law grounds, such as whether the decision was made within the public authority's powers or whether it was fair and reasonable. It may also assess whether a decision was consistent with the subsidy control requirements set out in the Act: most importantly, that the public authority had considered the relevant subsidy control principles and was of the view that the subsidy was consistent with those principles before giving the subsidy or making the scheme. The Tribunal may also determine whether the subsidy contravened any of the prohibitions.

MFA or SPEI assistance subsidies can also be reviewed by the Tribunal on general public law grounds. However, the only subsidy control grounds on which they can be challenged are that the subsidy breached the prohibitions on subsidies contingent on export performance, and on subsidies contingent on the use of domestic goods and services.

Who can bring a challenge and when?

An 'interested party' can ask the Tribunal to review a subsidy decision. An interested party is anyone whose interests may be affected by the giving of the subsidy or the making of the scheme [\[footnote 29\]](#).

Once a reviewable subsidy decision has been uploaded to the subsidy database (see [Step 7](#)), an interested party generally has **one calendar month** to apply to the Tribunal for a review of the subsidy. However, an interested party may apply to the Tribunal before the subsidy or scheme is uploaded onto the database.

An interested party also has the option to request further information about the subsidy or scheme, if they need it to confirm that their interests may be affected by the subsidy or scheme, and to establish whether there may be grounds for challenging it. An interested party must request this information within one month of the subsidy being uploaded to the transparency database. The public authority then has 28 days to provide the information. After this, the interested party has a further month to decide whether to challenge the subsidy. This does not affect the limitation period for other interested parties which remains one month after the subsidy decision has been uploaded to the subsidy database.

For more information about limitation periods, including exceptions to the one-month limitation period, see chapter 13 ('challenges and misuse of subsidies') of the statutory guidance.

The Tribunal's powers to grant relief

If the Tribunal finds that a subsidy decision has not been given in compliance with the requirements of the Act or that the subsidy is prohibited, it may order remedies. These remedies reflect those available to the High Court on an application for judicial review in England and Wales and Northern Ireland, and in Scotland, to the Court of Session on an application to the supervisory jurisdiction of that Court. The Tribunal also has the power to make a recovery order, directing a public authority to reclaim a subsidy from the beneficiary.

Further help

Public authorities should refer to the statutory guidance and the assessment template, ideally at an early stage in developing any assistance, and seek support and guidance if they are in doubt [\[footnote 30\]](#).

Specialist subsidy control teams, whose contact details are provided below, can provide support and guidance on the application of the subsidy control requirements under the Act in specific cases. The scope of the guidance given by these teams will vary from case to case, depending on needs, resources and prioritisation. Public authorities should be aware that these teams may not be able to provide support in every case.

Support and guidance can only usually be given to public bodies. Private sector organisations, individuals or other recipients should seek independent legal advice. Public authorities may also want to seek their own legal advice or economic advice if, and where, they are unsure of their legal obligations or the lawfulness of a proposed subsidy or scheme.

Contacts

For support and guidance on subsidy control in all sectors except those listed below, contact the BEIS subsidy control team: subsidycontrol@beis.gov.uk

For support and guidance on how to upload a subsidy to the subsidy transparency database and making a public authority upload account: subsidydatabase@beis.gov.uk

For support and guidance on subsidy control in the agriculture, fisheries and aquaculture sectors, contact the Defra subsidy control team: nick.howard@defra.gov.uk

For support and guidance on subsidy control in relation to subsidies from the devolved governments in Scotland, Wales or Northern Ireland, contact the following:

- Scotland, Subsidy Control Division: subsidycontrol@gov.scot
- Wales, Subsidy Control Team: SubsidyControlUnit@gov.wales
- Northern Ireland, Subsidy Control Advice Unit: subsidycontrol@economy-ni.gov.uk

1. The [Subsidy control regime](https://www.gov.uk/government/collections/subsidy-control-regime) (<https://www.gov.uk/government/collections/subsidy-control-regime>)

2. Financial assistance is classified as a subsidy or a subsidy scheme where it satisfies all 4 'limbs', or conditions, of the 4-limb test set out in section 2 of the Act.

3. See [Step 4](#) for the subsidy control principles.

4. More precisely, subsidies subject to the provisions of part IV or annex 2 of the WTO Agreement on Agriculture, and subsidies in relation to trade in fish and fish products.
5. The export performance and domestic content prohibitions are described in [step 3](#).
6. This period is the elapsed part of the current financial year (that is, from 1 April) and the 2 financial years immediately preceding the current financial year.
7. As defined under section 42(8) of the Act.
8. The prohibitions and restrictions imposed by sections 15 to 29 of the Act do not apply to a subsidy given in these circumstances.
9. There is an exception to this prohibition for UK Export Finance short-term export credit support.
10. There is an exception to this prohibition for subsidies provided to the audio-visual sector.
11. For guidance see the [UK government rules of origin](https://www.gov.uk/guidance/check-your-goods-meet-the-rules-of-origin) (<https://www.gov.uk/guidance/check-your-goods-meet-the-rules-of-origin>).
12. The prohibition does not apply to subsidies that require an enterprise to move within the same area (usually within a local authority area).
13. Subsidies or schemes of particular interest must be referred to the Subsidy Advice Unit before they are granted or made, respectively. See [Step 5](#) for further information.
14. Chapter 3 ('subsidy design and assessment') of the statutory guidance.
15. This step helps to ensure that the subsidy or subsidy scheme is consistent with principle A and principle E.
16. This step helps to ensure that the subsidy or subsidy scheme is consistent with principle C and principle D.
17. This step helps to ensure that the subsidy or subsidy scheme is consistent with principle B and principle F.
18. This step helps to ensure that the subsidy or subsidy scheme is consistent with principle G.
19. As required by principle A of the subsidy control principles.
20. See annex 2 of the statutory guidance on how to conduct an in-depth principles assessment.
21. A list of sensitive sectors for the purposes of the subsidy control regime is provided in chapter 10 ('subsidies and schemes of interest and subsidies and schemes of particular interest') of the statutory guidance.
22. The elapsed part of the current financial year and the 2 financial years immediately preceding the current financial year.

23. Under the Act, the Secretary of State may do so where the proposed subsidy or scheme meets the definition of an SSol, or the Secretary of State considers that there is a risk that the proposed subsidy or scheme would fail to comply with the subsidy control requirements in chapters 1 and 2 of part 2 of the Act or there is a risk of negative effects on competition or investment within the UK.
24. In addition to its referral functions, the SAU will also monitor and review the effectiveness of the operation of the Act and its impact on competition and investment within the United Kingdom.
25. This period may be extended by agreement between the SAU and the public authority or, in the case of a mandatory request for review, unilaterally by the Secretary of State.
26. [Guidance on the operation of the subsidy control functions of the Subsidy Advice unit](https://www.gov.uk/government/publications/guidance-on-the-operation-of-the-subsidy-control-functions-of-the-subsidy-advice-unit) (<https://www.gov.uk/government/publications/guidance-on-the-operation-of-the-subsidy-control-functions-of-the-subsidy-advice-unit>)
27. For detailed information about the subsidy database, refer to chapter 12 ('transparency') of the statutory guidance.
28. With the exception of standalone SPEI subsidies, which, unlike conventional standalone subsidy awards, do not have to be uploaded to the database if they do not exceed £100,000.
29. The Secretary of State is an interested party for the purposes of enforcement under the Act.
30. The statutory guidance and assessment template is available from the [Subsidy control regime](https://www.gov.uk/government/collections/subsidy-control-regime) (<https://www.gov.uk/government/collections/subsidy-control-regime>) page.

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Cambridgeshire and Peterborough Combined Authority Forward Plan of Executive Decisions

Published 13 January 2023

The Forward Plan is an indication of future decisions. It is subject to continual review and may be changed in line with any revisions to the priorities and plans of the CPCA. It is re-published on a monthly basis to reflect such changes.

Purpose

The Forward Plan sets out all of the decisions to be taken by the Combined Authority Board, Executive Committees or by way of a Mayoral Decision Notice in the coming months. This makes sure that local residents and organisations know what decisions are due to be taken and when.

The Forward Plan is a live document which is updated regularly and published on the [Combined Authority website](#) (click the Forward Plan' button to view). At least 28 clear days' notice will be given of any key decisions to be taken.

What is a key decision?

A key decision is one which, in the view of the Overview and Scrutiny Committee, is likely to:

- i. result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to (usually £500,000 or more); or
- ii. have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.

Non-key decisions and update reports

For transparency, the Forward Plan also includes all non-key decisions and update reports to be considered by the Combined Authority Board and Executive Committees.

Access to reports

A report will be available to view online one week before a decision is taken. You are entitled to view any documents listed on the Forward Plan after publication, or obtain extracts from any documents listed, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on this notice can be requested from [Democratic Services](#).

The Forward Plan will state if any reports or appendices are likely to be exempt from publication or confidential and may be discussed in private. If you want to make representations that a decision which it is proposed will be taken in private should instead be taken in public please contact [Edwina Adefehinti, Interim Chief Officer Legal and Governance, Monitoring Officer](#) at least five working days before the decision is due to be made.

Substantive changes to the previous month's Forward Plan are indicated in **bold text** for ease of reference.

Notice of decisions

Notice of the Combined Authority Board's decisions and Executive Committee decisions will be published online within three days of a public meeting taking place.

Standing items at Executive Committee meetings

The following reports are standing items and will be considered by at each meeting of the relevant committee. The most recently published Forward Plan will also be included on the agenda for each Executive Committee meeting:

Housing and Communities Committee

1. Affordable Housing Programme Loans Update
2. Affordable Housing Programme – Update on Implementation

Skills Committee

1. Budget and Performance Report
2. Employment and Skills Board Update

Transport and Infrastructure Committee

1. Performance and Finance Report

Housing and Communities Committee – 16 January 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
1.	Affordable Housing Programme Loans Update	Housing and Communities Committee	16 January 2023	Decision	To receive an update on the Affordable Housing Programme loans.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Bridget Smith Chair of the Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
2.	Affordable Housing Programme – Update on Implementation	Housing and Communities Committee	16 January 2023	Decision	To receive an update on the implementation of the Affordable Housing Programme.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Bridget Smith Chair of the Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Transport and Infrastructure Committee 18 January 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
3.	Local Transport and Connectivity Plan January 2023 New item	Transport and Infrastructure Committee	18 January 2023	Decision	To consider an update on the draft Local Transport and Connectivity Plan (LTCP) document, including the LTCP Consultation Report and Digital Policy and expenditure budget proposals and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
4.	Bus Assessment Framework and Tendering of Services New item	Transport and Infrastructure Committee	18 January 2023	Decision	To receive an update on progress on the preparation of a Bus Strategy, to outline the process for the development, consultation, and	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					implementation of a Local Bus Service Assessment Framework (LBSAF), to consider proposals to re-procure bus services where contracts are due to finish at the end of March 2023 and to make recommendations to the Combined Authority Board.				to be published
	Retendering of Bus Services (Framework) Removed	Transport and Infrastructure Committee	18 January 2023	Decision	To consider the assessment framework and process that will be undertaken to retender the bus services in April 2023 and make recommendations	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					to the Combined Authority Board.				to be published
	Alternative Fuelled Vehicle Strategy Item removed	Transport and Infrastructure Committee	18 January 2023	Decision	To consider the draft Alternative Fuelled Vehicle Strategy and make recommendations to the Combined Authority Board (following a round of public consultation).	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
5.	March Area Transport Study: Broad Street Construction Funds	Transport and Infrastructure Committee	18 January 2023	Decision	To consider recommendations to approve the Full Business Case and for the drawdown of Broad Street construction funds and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
6.	Fengate Phase 1 Construction Funds	Transport and Infrastructure Committee	18 January 2023	Decision	To consider recommendations to approve the Full Business Case and for the drawdown of construction funds and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
7.	A1260 Nene Parkway Junction 32/3	Transport and Infrastructure Committee	18 January 2023	Decision	To consider proposals to approve the Full Business Case for the A1260 Junction 32/3 project, and approve Medium Term Financial Plan funds to begin construction, and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
8.	Local Transport Model Full Business Case	Transport and Infrastructure Committee	18 January 2023	Decision	To consider proposals to approve the Full Business Case for the Local Transport Model and to seek the release of the remaining funding (approximately £1.5m) over the Medium Term Financial Plan period, and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
9.	Authorisation of expenditure on ZEBRA zero emissions buses project	Transport and Infrastructure Committee	18 January 2023	Decision	To consider proposals to approve capital expenditure of funds allocated to the approved ZEBRA Business Case, and make recommendations	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					to the Combined Authority Board.				to be published

Employment Committee - 25 January 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
10.	Shortlisting for roles of Executive Director of Economy and Growth and Executive Director of Resource and Performance (S73 Officer)	Employment Committee	25 January 2023	Decision	To shortlist candidates for the roles of Executive Director of Economy and Growth and Executive Director of Resource and Performance (S73 Officer)	Relevant internal and external stakeholders	Mark Parkinson Interim Director Corporate Resources	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
	[Contains Exempt appendices] New item								

Combined Authority Board – 25 January 2023

Governance items

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
11.	Minutes of the meeting on 30 November 2022 and Action Log [Public minutes]	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
									relevant appendices.
12.	Combined Authority Membership Update January 2023	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To note or ratify changes to Combined Authority membership notified by constituent councils.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
13.	Review of the Constitution	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To present to the Board the sections of the Constitution that have been reviewed and proposed amendments.	Relevant internal and external stakeholders including the Audit and Governance Committee	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
14.	Combined Authority Governance Arrangements New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To set out proposals and changes to governance arrangements in line with Improvement Plan requirements and in response to the Review of Governance.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
15.	Forward Plan January 2022	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
16.	Budget Monitor <u>Update</u>	Cambridgeshire and Peterborough	25 January 2023	Key Decision 2022/083	To consider the revenue and capital budgets	Relevant internal and	Jon Alsop	Councillor Anna Smith Statutory	It is not anticipated that there

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
	Report January 2023	Combined Authority Board			for the year to date and related decisions.	external stakeholders	Section 73 Chief Finance Officer	Deputy Mayor	will be any documents other than the report and relevant appendices to be published.
17.	Combined Authority Monthly Highlights Report January 2023	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To provide a monthly highlight report on Combined Authority business.	Relevant internal and external stakeholders	Gordon Mitchell Chief Executive	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.
18.	Improvement Plan Update December 2022	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To receive an update on progress against the agreed	Relevant internal and external stakeholders	Angela Probert Interim Programme Director: Transformation	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					Improvement Plan.				the report and relevant appendices.
19.	Approval of Procurement Policy	Cambridgeshire and Peterborough Combined Authority Board	25 January 2022	Decision	To approve the Combined Authority's procurement policy	Relevant internal and external stakeholders including the Audit and Governance Committee	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
20.	Implementation of Subsidy Control Act 2022 New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2022	Decision	To explain the key features and implications of the new Subsidy Control regime for the Combined Authority and to recommend initial steps that should be put in	Relevant internal and external stakeholders including the Audit and Governance Committee	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					place to maximise the flexibilities offered.				

Combined Authority Decisions

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
21.	Cambridgeshire and Peterborough Combined Authority Corporate Strategy and Business Plan 2023/ 25	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the Cambridgeshire and Peterborough Combined Authority Corporate Strategy and Business Plan 2023-25.	Relevant internal and external stakeholders	Gordon Mitchell Chief Executive Fliss Miller Associate Director Skills	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
22.	2023-24 Budget and Medium-Term Financial Plan to 2026-27	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/063	To set a balanced budget for the forthcoming financial year as required by law, and a medium term financial plan for the next four years.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
23.	Mayor's Budget 2023-24	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/064	To agree the Mayor's draft budget for 2023-24.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
24.	Climate and Strategy Business Cases January 2023 New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/082	To approve Business Cases and funding from the Medium-Term Financial Plan for Meanwhile at Core Site, North East Cambridge project.	Relevant internal and external stakeholders	Mark Parkinson Interim Director Corporate Resources	Councillor Bridget Smith Lead Member for the Environment and Climate Change	It is not anticipated that there will be any documents other than the report and relevant appendices.
25.	Market Towns Programme – Approval of Recommended Projects (Funding Call 9 January 2023)	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/077	To approve recommended project proposals against remaining funding budget under the Market Towns Programme (Funding Call 9 – January 2023).	Relevant internal and external stakeholders, including the Skills Committee.	Steve Clarke Interim Associate Director Business	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
26.	Growth Company Business Plan 2022-23	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the Growth Company Business Plan for 2022-23.	Relevant internal and external stakeholders, including the Skills Committee.	Steve Clarke Interim Associate Director Business	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
27.	University of Peterborough: Finalisation and completion of legal documentation for the Peterborough HE Property Company (PropCo1) New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To delegate authority to the Chief Executive to finalise and complete the necessary legal documentation for the Peterborough HE Property Company (PropCo1)	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
28.	University of Peterborough: Finalisation and completion of legal documentation for the Peterborough R&D Property Company (PropCo2) New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To seek delegated authority for the Director of Housing and Development to finalise and complete the necessary legal documentation for the Peterborough R&D Company (PropCo2).	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.

Recommendations from the Transport and Infrastructure Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
29.	Local Transport and Connectivity Plan January 2023 New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To consider an update on the draft Local Transport and Connectivity Plan (LTCP) document, including the LTCP Consultation Report and Digital Policy and expenditure budget proposals.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
30.	Bus Assessment Framework and Tendering of Services New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/084	To receive an update on progress on the preparation of a Bus Strategy and an outline of the process for the development, consultation, and	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					implementation of a Local Bus Service Assessment Framework (LBSAF), and to give approval to re-procure bus services where contracts are due to finish at the end of March 2023.				appendices to be published
	Retendering of Bus Services (Framework) Removed	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/073	To approve the assessment framework and process that will be undertaken to retender the bus services in April 2023.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
	Alternative Fuelled Vehicle Strategy Item removed	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/057	To approve the Alternative Fuelled Vehicle Strategy.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
31.	March Area Transport Study: Broad Street Construction Funds	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/067	To approve the Full Business Case and drawdown of Broad Street construction funds.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
32.	Fengate Phase 1 Construction Funds	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/068	To approve the Full Business Case and the drawdown of construction funds.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
33.	A1260 Nene Parkway Junction 32/3 Full Business Case	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/062	To approve the Full Business Case for the A1260 Junction 32/3 project, and approve Medium Term Financial Plan funds to begin construction.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
34.	Local Transport Model Full Business Case	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/079	To approve the Full Business Case for the Local Transport Model and the release of the remaining funding (approximately £1.5m) over the Medium Term Financial Plan period.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
35.	Authorisation of expenditure on ZEBRA zero emissions buses project	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/080	To approve capital expenditure of funds allocated to the approved ZEBRA Business Case.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

Recommendations from the Skills Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
36.	ARU Peterborough Phase 3 Full Business Case and monitoring arrangements for the new University	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/051	To consider and approve the Phase 3 Full Business Case, including a review of the university's original quantitative objectives set at the Phase 1 full business case, with recommendations about how to reset these for effective monitoring of the new university.	Relevant internal and external stakeholders, including the Business Board	Roger Thompson Director of Housing and Development	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
	Alignment of all Skills Procurement and Contracting Removed	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve proposals to move to a dynamic purchasing system (DPS) procurement process for skills projects and to	Relevant internal and external stakeholders	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					move to a single contract for all skills provision contracts.				relevant appendices to be published.
37.	Wave 4 Skills Bootcamps	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/074	To accept the grant offer from the Department for Education (DfE) to deliver Wave 4 Skills Bootcamps for the 2023-24 financial year.	Relevant internal and external stakeholders	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Employment Committee – 8 and 9 February 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
38.	Interviews for the roles of Executive Director Economy and Growth and Executive Director of Resource and Performance (S73 Officer) [Exempt Report*] New item	Employment Committee	8 and 9 February 2023	Decision	To interview candidates for the roles of Executive Director Economy and Growth and Executive Director of Resource and Performance (S73 Officer) and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Mark Parkinson Interim Director Corporate Resources	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

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

Extraordinary meeting of the Combined Authority Board – 9 February 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
39.	<p>Appointment of Executive Director Economy and Growth and Executive Director of Resource and Performance (S73 Officer)</p> <p>[Contains exempt appendices]</p> <p>New item</p>	Cambridgeshire and Peterborough Combined Authority Board	9 February 2023	Decision	To approve the appointment of the preferred candidates for the roles of Executive Directors of Economy and Growth and Executive Director of Resource and Performance (S73 Officer).	Relevant internal and external stakeholders	Mark Parkinson Interim Director Corporate Resources	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Skills Committee 6 March 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
40.	Health and Care Sector Work Academy End of Contract Performance Review	Skills Committee	6 March 2023	Decision	To inform and update the Skills Committee on the performance of the Health and Carer Sector Work Academy.	Relevant internal and external stakeholders, including the Business Board	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
41.	Careers Hub Academic Year 2023/24	Skills Committee	6 March 2023	Decision	To inform and update the Skills Committee on the anticipated funding for the Careers Hub for the academic year 2023/24 and upcoming priorities.	Relevant internal and external stakeholders, including the Business Board	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
42.	Growth Works Performance Review	Skills Committee	6 March 2023	Decision	To receive an update on the Growth Works Programme delivery performance data for Quarter 8 (1 st October to 31 st December 2022), and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders, including the Business Board	Steve Clarke Interim Associate Director Business	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
43.	Employment and Skills Strategy Progress Update	Skills Committee	6 March 2023	Decision	To provide a biannual update on progress made on the Employment and Skills strategy.	Relevant internal and external stakeholders, including the Business Board	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	Relevant internal and external stakeholders, including the Business Board
44.	Skills Grant Funding allocations and policy changes for 2023-24	Skills Committee	6 March 2023	Decision	To consider proposals to make grant funding allocations for the 2023/24	Relevant internal and external stakeholders, including the	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	Relevant internal and external stakeholders, including the

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					academic year for Adult Education Budget, Free Courses For Jobs and Skills Bootcamps and for the 2023/24 and 2024/25 financial year for Multiply, and make recommendations to the Combined Authority Board.	Business Board			Business Board
45.	Shared Prosperity Fund Implementation Plan	Skills Committee	6 March 2023	Decision	To consider the final draft of the Shared Prosperity Fund Implementation Plan, and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders, including the Business Board	Steve Clarke Interim Associate Director Business	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Housing and Communities Committee – 13 March 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
46.	Community Led Housing Support New item	Housing and Communities Committee	13 March 2023	Decision	To consider a proposal to renew an arrangement that provides a support service to community led housing groups.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Bridget Smith Chair of the Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

Transport and Infrastructure Committee 15 March 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
47.	Local Transport and Connectivity Plan	Transport and Infrastructure Committee	15 March 2023	Decision	To consider the draft of the Local Transport and Connectivity Plan and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

Combined Authority Board - 22 March 2023

Governance items

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
48.	Minutes of the meetings on 25 January 2023 and the Extraordinary meeting of the Combined Authority Board on 9 February 2023 and Action Log	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To approve the minutes of the previous meetings and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
49.	Forward Plan March 2022	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
50.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
51.	Treasury Management Strategies 2023/24	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To review and approve the Combined Authority's draft Capital, Treasury and Investment Strategies and Minimum Revenue Provision (MRP) Statement for 2023/24.	Relevant internal and external stakeholders including the Audit and Governance Committee	Jon Alsop Section 73 Chief Finance Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
52.	Combined Authority Monthly Highlights Report March 2023	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To provide a monthly highlight report on Combined Authority business.	Relevant internal and external stakeholders	Gordon Mitchell Chief Executive	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.
53.	Improvement Plan Update	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To receive an update on progress against the agreed Improvement Plan.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director: Transformation	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.

Combined Authority Decisions

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
54.	Climate Action Plan Annual Report	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Key Decision 2022/081	To receive an annual progress report on the Climate Action Plan 2022-2025 and to approve updated actions.	Relevant internal and external stakeholders	Steve Cox Associate Director	Councillor Bridget Smith Lead Member for the Environment and Climate Change	It is not anticipated that there will be any documents other than the report and relevant appendices.
55.	Market Towns Programme: Supporting Community-Owned Businesses and Social Enterprises in Rural Hinterlands – Full Business Case Deferred from January	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Key Decision 2022/050	To approve the full business case for the proposed 'Market Towns Programme – Supporting Community-Owned Businesses & Social Enterprises in Rural Hinterlands' programme.	Relevant internal and external stakeholders	Steve Clarke Interim Associate Director Business	Councillor Anna Smith, Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
56.	Market Towns Programme – Approval of Recommended Projects (Funding Call 10) New item	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Key Decision 2022/081	To approve recommended project proposals against remaining funding budget under the Market Towns Programme (Funding Call 10).	Relevant internal and external stakeholders, including the Business Board	Steve Clarke Interim Associate Director Business	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Recommendations from the Skills Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
57.	Skills Grant Funding allocations and	Cambridgeshire and Peterborough	22 March 2023	Key Decision 2022/076	To approve grant funding allocations for the 2023/24	Relevant internal and external stakeholders,	Fliss Miller Interim Associate	Councillor Lucy Nethsingha	Relevant internal and external stakeholders,

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
	policy changes for 2023-24	Combined Authority Board			academic year for Adult Education Budget, Free Courses For Jobs and Skills Bootcamps and for the 2023/24 and 2024/25 financial year for Multiply.	including the Business Board	Skills Director	Lead Member for Skills	including the Business Board
58.	Growth Works Performance Review	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To receive an update on the Growth Works Programme delivery performance data for Quarter 8 (1 st October to 31 st December 2022).	Relevant internal and external stakeholders, including the Business Board	Steve Clarke Interim Associate Director Business	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Recommendations from the Business Board

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
59.	Profile of Investments	Cambridgeshire and Peterborough Combined Authority Board	22 March 2022	Decision	To note the profile of investments made by the Business Board.	Relevant internal and external stakeholders	Steve Clarke Interim Associate Director Business	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
60.	Economic Growth Strategy Implementation Plan	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To approve the draft Economic Growth Strategy Implementation Plan.	Relevant internal and external stakeholders, including the Business Board.	Steve Clarke Interim Associate Director Business	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
61.	Shared Prosperity Fund Implementation Plan	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To approve the draft of the Shared Prosperity Fund Implementation Plan.	Relevant internal and external stakeholders, including the Business Board.	Steve Clarke Interim Associate Director Business	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Transport and Infrastructure Committee – May 2023 - Date TBC

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
62.	Local Transport and Connectivity Plan	Transport and Infrastructure Committee	Date tbc	Decision	To provide feedback on the draft Local Transport and Connectivity Plan and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Mayor Dr Nik Johnson	To approve the Local Transport and Connectivity Plan.
63.	Bus Service Improvement Plan	Transport and Infrastructure Committee	Date tbc	Decision	To provide feedback on the draft Bus Service Improvement Plan (BSIP) and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Combined Authority Board Annual Meeting – 7 June 2023

Governance items

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
64.	Minutes of the meeting on 22 March 2023 and Action Log	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
65.	Forward Plan June 2023	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
66.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To provide an update on the revenue and capital budgets	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					for the year to date.				other than the report and relevant appendices to be published.
67.	Appointment of the Deputy Mayor/s	Mayor Dr Nik Johnson	7 June 2023	Mayoral Decision	To announce the appointment of the Deputy Mayor/s of the Cambridgeshire and Peterborough Combined Authority for 2023/24.	n/a	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	Appointment of the Deputy Mayor/s
68.	Membership of the Combined Authority	Cambridgeshire and Peterborough Combined Authority	7 June 2023	Decision	To note the appointment of Members of Constituent Councils and a representative of the Business Board for 2023/24 (and their Substitute	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					Members) and to appoint any Non-Constituent Members or Co-opted Members.				
69.	Appointments to Executive Committees, including the appointment of Committee Chairs and Lead Members	Cambridgeshire and Peterborough Combined Authority	7 June 2023	Decision	Note and agree the Mayor's nominations to Lead Member responsibilities and the membership of the Executive Committees, including the Chairs of the Executive Committees for 2023/24.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.
70.	Appointment of the Overview and Scrutiny Committee	Cambridgeshire and Peterborough Combined Authority	7 June 2023	Decision	To appoint the Overview and Scrutiny Committee and confirm its terms of reference, size	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance,	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					and allocation of seats to political parties in accordance with political balance requirements, according to the nominations received from constituent councils.		Monitoring Officer		the report and relevant appendices.
71.	Appointment of the Audit and Governance Committee, including the Independent Person	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To appoint the Audit and Governance Committee and Independent Person and confirm its terms of reference, size and allocation of seats to political parties in accordance with political balance requirements, to reflect	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					nominations received from constituent councils.				
72.	Calendar of meetings 2023/24	Cambridgeshire and Peterborough Combined Authority	7 June 2023	Decision	To agree the calendar of meetings for 2020/21.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.
73.	Combined Authority Monthly Highlights Report January 2023	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To provide a monthly highlight report on Combined Authority business.	Relevant internal and external stakeholders	Gordon Mitchell Chief Executive	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
74.	Improvement Plan Update	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To receive an update on progress against the agreed Improvement Plan.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director: Transformation	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.

Recommendations from the Transport and Infrastructure Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
75.	Local Transport and Connectivity Plan	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Key Decision 2022/056	To approve the Local Transport and Connectivity Plan.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
76.	Bus Service Improvement Plan	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To sign off the Bus Service Improvement Plan (BSIP) for submission to operators and Government.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Skills Committee – 3 July 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
77.	University Of Peterborough Programme Business Case Deferred from March	Skills Committee	3 July 2023	Decision	To consider the proposed University of Peterborough programme business case and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders, including the Business Board.	Roger Thompson Director of Housing and Development	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.
78.	Economic Growth Strategy Implementation Plan Deferred from March	Skills Committee	3 July 2023	Decision	To note consider the final draft of the Economic Growth Strategy Implementation Plan and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders, including the Business Board	Steve Clarke Interim Associate Director Business	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Housing and Communities Committee – 10 July 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker

Transport and Infrastructure Committee – 12 July 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker

Combined Authority Board – 26 July 2023

Governance items

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
79.	Minutes of the Annual Meeting on 7 June 2023 and Action Log	Cambridgeshire and Peterborough Combined Authority Board	26 July 2023	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
80.	Forward Plan July 2023	Cambridgeshire and Peterborough Combined Authority Board	26 July 2023	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
81.	Budget Monitor Update	Cambridgeshire and Peterborough	26 July 2023	Decision	To provide an update on the revenue and capital budgets	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
		Combined Authority Board			for the year to date.				documents other than the report and relevant appendices to be published.

Recommendations from the Skills Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
82.	University Of Peterborough Programme Business Case Deferred from June	Cambridgeshire and Peterborough Combined Authority Board	26 July 2023	Key Decision 2022/075	To approve the University of Peterborough programme business case.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
									relevant appendices.

FP/01/23

Comments or queries about the Cambridgeshire and Peterborough Combined Authority Forward Plan

Please send any comments or queries about the Forward Plan to [Edwina Adefehinti, Interim Chief Officer Legal and Governance, Monitoring Officer](#):

We need to know:

1. Your comment or query.
2. How we can contact you with a response (please include your name, a telephone number and your email address).
3. Who you would like to respond to your query. If you aren't sure just leave this blank and we will find the person best able to reply.