



Report title: Combined Authority Trading Companies

To: Audit and Governance Committee

Meeting Date: 28th January 2022

From: Robert Parkin
Monitoring Officer

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

a) Comment upon, recommend any changes, and agree the terms of reference of the Committee in relation to the Combined Authority trading companies

Voting arrangements: a simple majority of all Members.

1. Purpose

- 1.1 This report provides the Committee with an update to the draft terms of reference in relation to the review and assessment of the Combined Authority's trading companies in line with the statutory powers invested in the Committee.

2. Background

- 2.1 The Audit and Governance Committee's terms of reference describe its role as to:
- Review and scrutinise the authority's financial affairs
 - Review and assess the authority's risk management, internal control and corporate governance arrangements
 - Review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions; and
 - a) make reports and recommendations to the Combined Authority in relation to reviews; and
 - b) implement the obligation to ensure high standards of conduct amongst

Members.

- 2.2 At the meeting of the Committee on 24 September 2021 it considered a paper with draft terms of reference in relation to the review and assessment of the Combined Authority's trading companies and resolved not to accept them as presented. The Committee requested officers seek the experiences of other combined authorities and councils in relation to trading companies and present an updated terms of reference for consideration at this meeting.
- 2.3 Since the last meeting of the Committee the Combined Authority Overview & Scrutiny Committee has considered terms of reference in relation to that body's statutory powers in relation to trading companies and agreed the following:
- a) Advise the Combined Authority Board and hold it to account, where necessary, in relation to the trading companies;
 - b) Review any matter within the Committee's power, pertaining to the Combined Authority's trading companies and any future activities of those trading companies.
- 2.4 The Combined Authority currently has six trading companies registered with Companies House. These are:

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; and has a single share in the Cambridgeshire and Peterborough Business Growth Service.

Angle Developments (East) Limited

Angle Developments (East) Limited is a housing development company incorporated in September 2019 and is 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 the Cambridgeshire & Peterborough Business Growth Company consists of three major services. 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.

The majority shareholder in the Business Growth Service is with the Combined Authority, with Angle Holdings owning a single share.

One CAM Limited

One CAM Limited was incorporated in September 2020 and was established as a special purpose vehicle (SPV), as a necessary and best-practice step for delivering the infrastructure intended as part of the CAM.

This company is now being placed into dormancy, following its final Board meeting in December 2021, and will be struck-off the register at Companies House.

Peterborough HE Property Company Limited

Incorporated in June 2020 the Peterborough HE Property Company Limited (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 comprise 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. The company is a joint venture between the CPCA and Photocentric Limited.

3. Terms of Reference

- 3.1 Decisions relating to the Combined Authority trading companies go to the Combined Authority Board, and the Combined Authority Board acts as shareholder. In this role, it carries out a range of roles around oversight, and review. Arrangements are in place in all shareholder agreements for reserved matters to be considered by the Combined Authority Board. Given this process of decision-making and as decisions relating to the companies go to the Combined Authority Board, the Audit & Governance Committee is invited to consider the proposed terms of reference, below, which are aimed at ensuring effective governance by way of bringing a robust and independent approach to the trading companies.
- 3.4 The proposed terms of reference, below, have been considered by the authority's internal auditors who have made comment and suggested amendment, where appropriate. It should be noted the individual trading companies are not directly accountable to the Committee:

Terms of Reference for the Cambridgeshire & Peterborough Combined Authority
Audit and Governance Committee in Relation to the Review and Assessment of the
Authority's Trading Companies

- a) Assist the Combined Authority in fulfilling its oversight responsibilities in relation to reviewing and monitoring activity of the trading companies;
- b) Advise the Combined Authority Board on any matters within the Committee's powers pertaining to the trading companies;
- c) Provide appropriate review and challenge of the Combined Authority's governance arrangements of its trading companies and its appointments to the boards of the companies;
- d) Provide appropriate review and challenge on the financial information provided to the Combined Authority by the trading companies;
- e) Commission, where appropriate, the Combined Authority's internal audit function to undertake discrete activity relating to the Authority's governance of its trading companies

4. Financial Implications

- 4.1 There are no significant financial implications to this activity.

5. Legal Implications

- 5.1 There are no significant legal implications, beyond those referred to in the body of the report.