



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

AUDIT & GOVERNANCE COMMITTEE

Date: Friday, 05 March 2021

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

Virtual Meeting
[Venue Address]

AGENDA

Open to Public and Press

1 Apologies for Absence and Declarations of Interest

To receive any apologies and at this point members must declare whether they have a pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.

2 Chair Announcements

3 Minutes of the Previous Meeting

To approve the minutes of the meeting held on 29th January 2021.

A&G Draft Minutes 290121

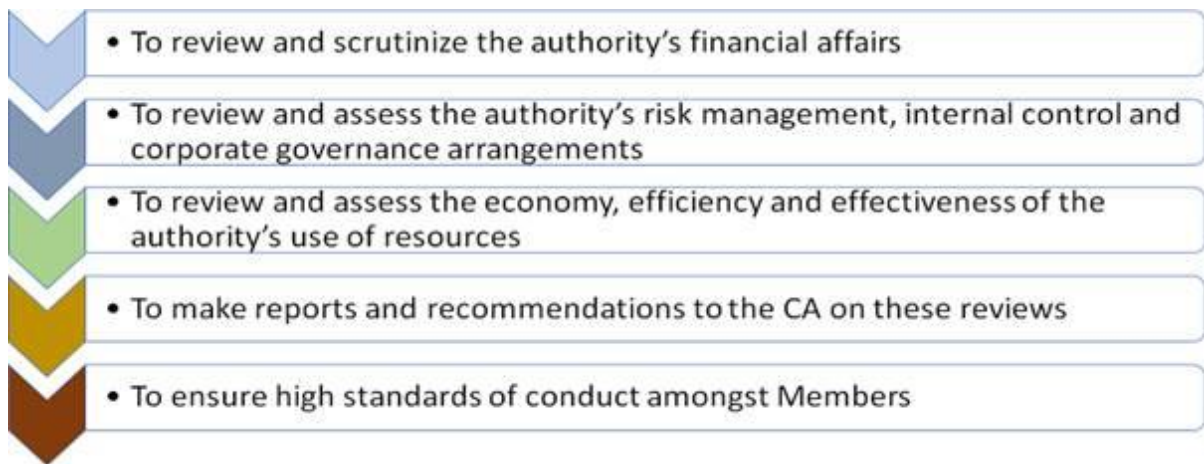
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4	Assurance Framework Cover Report	15 - 216
5	Constitution Update report	217 - 218
6	CPCA Capital Strategy Report	219 - 228
7	External Audit - EY Outline Audit Plan	229 - 268
8	Information Governance Update	269 - 302
9	Standing Enquiries Report	303 - 304
10	Work Programme Cover Report	305 - 338
11	Date of next meeting: Tuesday 6th April 2021 at 10am via the Zoom platform A meeting for the Committee and the External and Internal Auditors has been scheduled for 9:45am prior to the main public meeting.	

The Audit & Governance Committee comprises the following members:

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

The Audit and Governance Committee Role.



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

Councillor David Brown

John Pye

Councillor Ian Benney

Councillor Graham Bull

Councillor Mike Davey

Councillor Mark Goldsack

Councillor Tony Mason

Councillor Nick Sandford

Clerk Name:	Robert Fox
Clerk Telephone:	
Clerk Email:	Robert.Fox@cambridgeshirepeterborough-ca.gov.uk



CAMBRIDGESHIRE & PETERBOROUGH COMBINED
AUTHORITY –
DRAFT MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 29 January 2021

Time: 10:00am

Location: Virtual Zoom Meeting

Present:

Mr John Pye
Cllr Ian Benney
Cllr Tony Mason
Cllr Nick Sandford
Cllr Graham Bull
Cllr David Brown
Cllr Mike Davey

Chairman
Fenland District Council
South Cambridgeshire District Council
Peterborough City Council
Huntingdonshire District Council
East Cambridgeshire District Council
Cambridge City Council

Officers:

Robert Parkin
Anne Gardiner
Kim Sawyer
Jon Alsop
Robert Emery

Monitoring Officer
Scrutiny Officer
Chief Executive Officer
Chief Finance Officer (S73 Officer)
Deputy (S73 Officer)

Francesca Houston
Daniel Harris
Jay Desai
Suresh Patel

Transport Programme Coordinator
RSM
RSM
Ernst & Young

1. Apologies for Absence and Declarations of Interest

- 1.1 Apologies received from Cllr Goldsack.
- 1.2 No declarations of interest were made.

2. Chair's Announcements

2.1 The Chair made the following announcements:

1) There would be an extra Audit and Governance Committee meeting held on the 5th March to review the Assurance Framework and other additional items.

The Assurance Framework would also include an update on how the recommendations on Lancaster Way have been implemented.

2) Report on Independent Climate Change Commission to come to April meeting, to align with timing of the report being published.

3) The meeting calendar for the committee had been revised at the request of the Chair and would be circulated to members.

3. Minutes of the last Meeting

3.1 The minutes from the meeting held on the 27th November 2020 were agreed as a correct record.

3.2 The Actions from the previous meeting were discussed with the following points raised:-

- Cllr Mason requested that following from the discussion at the last meeting around information provided by Ernst and Young on the payments made to previous members of staff that the Committee should have standing enquiries that would provide a high level view on any claims of fraud and similar matters.
The Monitoring Officer advised that a report with proposals for how the committee could consider updates on whistleblowing, fraud and complaints would be brought back to the March meeting.
- The Chief Finance Officer provided some information relating to the action which asked for more detail on how much was being spent on the three officers mitigating the EU exit plan. - The Chief Finance Officer advised that there were two tranches of EU funding which had been used to support local businesses. An external contractor had been appointed to deliver this. There was £136k of funding to support business around future requirements of importing and exporting and it was believed the Chamber of Commerce would be mandated to provide this support. No staff had been appointed directly by the Combined Authority.
- The Trading Companies Development Session for members had been scheduled into the work programme for 2021/22.

3.3 The remaining actions were noted.

4. Combined Authority Update

4.1 The Committee received a verbal update from the Interim Chief Executive, Kim Sawyer who outlined the below issues which had been considered by the CA Board:-

- The CA Board had reviewed and signed off the MTF Plan and the Draft Business Plan and the Mayoral Budget.
- The Board had considered the performance report. The main area that needed highlighting to the committee was the Housing Performance Review; there were ongoing discussions with MHCLG around the Business Case and the release of the funding for the programme.
- The other area of housing which was important to note was that the housing funds already received were being used to deliver affordable homes and the Combined Authority were continuing to focus on the £100k homes; there had

been an announcement that some of the £100k homes had been built and people had been allocated to them.

- The programme for Community Land Trusts had just begun.
- In relation to the Transport Levy, the Interim Chief Executive Officer advised that the passenger transport functions were being brought in house from April and that officers were busy working on the transfer.
- The Business Growth Service had been started.
- There had been number of investments in the Market Town Master Plans
- There had been an investment of £14.5m from the 'Getting Building Fund' that had gone into the first phase of the Peterborough University building. There had also been a report on the Research and Development Centre which outlined work being done with local businesses to enhance investments into this centre - with the investment currently standing at around £19m.
- There was no report on the CAM but officers committed to providing further information on this area in future.
- There had been work done around the Ox/Cam Arc; with a prospectus being put to government and the Combined Authority had entered into a partner strategy to work with the different LEP's for the areas and 10 universities within the area including the University of Cambridge and University of Oxford. The Combined Authority was awaiting an update on funding going forward.
- The returning officer had been appointed for the elections in May and the Monitoring Officer would be providing some pre-election guidance.

4.2 In response to questions from members the following points were discussed:-

4.3 The passenger transport funding was now being brought in house as the Combined Authority was now in a position to take this on; the first Transport Plan had been published and the authority was in a position to deliver operationally. As transport was an area that was always of public interest there would be many platforms where the Combined Authority could engage with members of the public and local councillors.

There would be Transport induction training for all new members appointed to the Combined Authority following the elections.

The Combined Authority would be keen to ensure there were good relationships locally and to learn from lessons that Peterborough City Council and Cambridgeshire County Council had experienced as the previous transport authority for the area.

4.4 In response to a question about the CAM and the working relationships on the Transport Committee the officer advised that the key change would be for the Transport and Infrastructure committee members to learn about the functions that it had in relation to passenger transport.

In addition, the GCP and the Transport Committee would have to work well together and to that end officers had set up a steering group to help ensure members were kept well informed.

4.5 In response to a question about the Mayoral elections, the officer advised that the Combined Authority was working with the district councils and other Combined Authorities. There were mixed views on whether the elections could proceed.

4.6 In response to a question around the Community Land Trusts the officer advised that as proposals were received they would go through the planning process as normal. Further information would be circulated to Cllr Mason on how the planning process worked from officers.

- 4.7 The Committee thanked the Interim Chief Executive Officer for providing the update and answering the committee's questions.

5. Internal Audit Update

- 5.1 The Committee received the report from the Internal Auditors which provided an update to the work that RSM have conducted against the internal audit plan for 2020/21 agreed at the November Audit and Governance Committee meeting.

The paper also provided the conclusions and recommendations of RSM's review of the Combined Authority's Risk Management processes. This provided a Partial Assurance, and the Combined Authority had accepted all the Report's recommendations

- 5.2 The below points were raised during the discussion:-

- This was the first review completed by the internal auditors. In future the full report would only be brought to the committees' attention when the assurance level was less than Reasonable. Otherwise an executive summary with the auditor's opinion would be provided.
- The Internal Auditors noted that there had been a new risk strategy introduced last year and that this was still being embedded.
- Actions from the Audit needed to be completed by the end of the financial year, Progress would then be reported back to the committee.

- 5.3 In response to a question about the delegation of powers to companies, and how the committee would consider the risk registers for the newly set up One CAM Ltd, the officers advised that the arrangements were still to be finalised. and until the non-executive directors and the Chief Executive were in place they wouldn't know exactly how they would want to operate. Lord Mair, as Chair for the One CAM Ltd, was very keen to focus on risk; the structure for the company included an Audit and Risk Committee and there was a risk register already in place.

- 5.4 The Chair requested that the Assurance Framework include how the Audit Committee would review the governance arrangements of trading companies being set up by the Combined Authority to manage projects.

- 5.5 The Chair asked for clarification on how the Audit findings would be reported to the CA Board. He was advised that, the next time the CA Board received an update on Risk, officers would include a synopsis of the recommendations received from the internal auditors and an update on the progress made.

- 5.6 The Committee AGREED:

- 1) In future only Internal Audit reports that provided less than a reasonable assurance would be reported to the committee in full.
- 2) That officers include how the Audit Committee will review the governance arrangement of trading companies within the Assurance Framework.
- 3) That when the Risk Register is next taken to the CA Board that officers explain that the Audit and Governance Committee had reviewed the Internal Auditor's recommendations would monitor implementation of the recommendations by officers.
- 4) Note the report.

6. Corporate Risk Register

- 6.1 The Committee reviewed the Combined Authority Corporate Risk Register.
- 6.2 In response to a question about the risk from the delay in funding for the Housing Programme, the committee were advised that discussions with MHCLG were still ongoing but that the Mayor was confident that the funding would materialise. The MTFP assumptions were based on funding for the project being received.
- 6.3 The Committee Agreed that they would withhold comments on the Risk Register and Strategy until officers had progressed the recommendations from the Internal Auditor's and a report had been brought back to the Committee.

7. External Audit

- 7.1 The Committee received the report from the External Auditors which provided the committee with the annual audit letter 2019/20.
- 7.2 In response to a question about how the external auditors opinion was reported back to the CA Board, the members were advised that a financial update was taken to each CA Board meeting and that the external auditors opinion would be included in the next update.
- 7.3 The Committee noted the report.

8. Treasury Management

- 8.1 The Committee received the report which outlined the Treasury Management and Capital Strategies for 2021-22 and requested that the committee note the in-year performance against the adopted 2020-21 prudential and treasury indicators.
- 8.2 The Committee were advised that due to an administrative error, the Capital Strategy had not been published with the other documents and therefore had been sent via email to members on the morning of the meeting.
- 8.3 The officer outlined the key changes within the strategies for the committee; various limits on investments and forecasts had been updated to reflect the capital programme approved by the CA Board.

The Capital Strategy recognised that the CAM financing programme was proceeding at pace and that public sector borrowing might be required in future. This would require a rewriting of the financial strategy and members would be kept informed on this.

The Investment Strategy (non treasury investments) had changed the focus on the proposed top up fund; the £40m housing investment fund; previously the plan had been to use treasury management balances but this would limit the length of the loans that could be offered so now officers were looking to get loans from Public Loans Work Board (PLWB) and then loaning them forward. There should not be any change to the rates, but it would offer a longer length for the loans.

The only change to the Treasury Management Strategy was that the counter party limits table had been simplified and the money market fund limits had been increased to 'no limit'. That was useful for short term liquidity for the authority on the delivery of programmes. The other change was to the interest risk indicator, which had been increased to £1.5m due to the authority breaching the original figure as they were spending more money; it seemed sensible to increase the figure.

The Minimum Revenue Provision was expected to be zero for the medium term.

- 8.4 In response to a question about commercial investments, and whether ethical or environmental considerations would be taken on board the officer, advised that if there were recommendations from the Commission on Climate Change then these would be taken on board in future considerations.
- 8.5 In response to a question on property investment and restrictions on yield, the officer advised that as long as the aim of the Combined Authority was the delivery of social housing then they would not fall foul of the new restrictions imposed. Due diligence would be carried out before any new loans were taken out.
- 8.6 In response to a question about the monitoring of the implementation of the strategies, the committee were advised that both internal and external auditors monitor the implementation of the strategies.

The Committee were advised by both the Internal Auditors and External Auditors that Internal Audit would review the controls in place to ensure the strategies were implemented; they would look at the design and compliance and this could be as part of a review or as part of key financial controls.

The external auditors would take an exception view and review the overarching approach to ensure it was in line with guidance and regulations and that it was accounted for appropriately.

- 8.7 The Committee **RESOLVED:-**

That they review the Capital Strategy at their next meeting in March as, due to an administration error, the report had not been circulated to members beforehand

That in future reports that changes within the strategies would be highlighted.

To note the Treasury Management Strategies.

9. Work Programme for the Audit & Governance Committee

- 9.1 The Committee received the Work Programme report.

- 9.2 The Committee noted the report and **RESOLVED:**

1. That an extra meeting in March was scheduled and the following items would be added to the work programme for that meeting:

i) Proposals for how the committee could consider updates on whistleblowing, fraud, complaints.

ii) Capital Strategy

2) That a private meeting with the external and internal auditors be arranged prior to the April 6th Committee meeting.

10. Date of next meeting

- 10.1 Friday, 5th March from 10.00 a.m. via the Zoom platform.

Meeting Closed: 11:32am

Audit and Governance Committee Action Sheet 2020/21

Meeting Date	Action	Officer	Delegated officer	Completed
	OPEN ACTIONS			
29 January 2021	Annual Report to include a review of number of meetings held by the committee.	Anne Gardiner/Jon Pye	Anne Gardiner	
29 January 2021	Officers to review the risk strategy and report on implementation of the actions within the internal auditor reports	Robert Parkin		Report to come to April 6th
2 October 2020	The Chief Executive to provide the Committee with regular updates on the working relationship between the Combined Authority and Greater Cambridge Partnership as part of the CAB updates	Kim Sawyer		Ongoing
31 July 2020	A further report to the Committee be programmed for December 2020 to explain the process for formulating recommendations	Paul Raynes	Adrian Cannard	January 2021 – no Committee meeting in December 2020
26 May 2020	There should be ongoing work to present the Risk Register in a legible format	Francesca Houston		Ongoing
26 May 2020	There be a future development session for the Committee on Trading Companies	Robert Parkin/ Rochelle White		Timetabled for Sept 2021
26 May 2020	Future 'to note' items are sent to members in advance of Committee publication deadlines	Robert Fox		Ongoing

	CLOSED ACTIONS			
31 July 2020	A report on information security and governance to be submitted to the Committee. This to be included in the work programme at an agreed date.	Robert Parkin		Report to come to March
27 November 2020	That an update on the progress of the actions against the recommendations in the Lancaster Way report be brought to the next meeting of the Committee.	Jon Alsop/ Paul Raynes		To be included within the Assurance Framework – due to come to committee in March 2021
26 May 2020	Update from the Data Protection Officer Update to include data on aspects such as the volume of data, any requests for erasure etc.	Robert Parkin	Rochelle Tapping	January 2021 – included in report March
29 January 2021	Report on proposals for how the committee will receive updates on incidents of fraud, whistleblowing, complaints etc	Robert Parkin	Anne Gardiner	Report to come to March 5th
29 January 2021	Capital Strategy to be brought to March meeting with the changes to be highlighted for ease of reference.	Rob Emery		Report to come to March 5th
2 October 2020	A joint audit meeting with the internal and external auditors be programmed for April 2021	Internal Auditors/External Auditors	Anne Gardiner/Jon Alsop	Programmed for April 2021

29 January 2021	Company governance/oversight to be reported on within the Assurance Framework – how the committee will review governance of new companies.	Robert Parkin/Rochelle Tapping		Note to be included within the Assurance Framework report and a more detailed report to come to later meeting.
29 January 2021	Officers to review meetings calendar to ensure they align with statutory financial deadlines.	Jon Alsop/Anne Gardiner	Jon Alsop	Completed 4 th Feb – meeting invites circulated to members
2 October 2020	The next report to the Committee to include a description on how the Climate Change risk is being managed	Robert Parkin		27 th November 2020
26 May 2020/31 July 2020/2 October 2020	The Committee agreed to an independent review of the Lancaster Way Traffic Scheme	John Pye (Chair)/Robert Parkin/Jon Alsop		Chair's Announcement at 31 July 2020 meeting and further update at this meeting – Final report received at Nov 27 th 2020 meeting.
2 October 2020	A further update on liaison between the Combined Authority and civil servants at the MHCLG to be provided	Kim Sawyer	Kim Sawyer	To be provided at the Committee meeting of 29 January 2021
27 November	A report on the audit on Cyber Security and IT systems and the attempted fraud to come to the January Committee meeting.	Internal Auditors	Dan Harris	Included within the Internal Auditors Report

2 October 2020	To provide detail to the Committee on how much is being spent on the three officers mitigating on EU exit, factoring in the EU exit grant the Combined Authority receives.	Jon Alsop		Verbal Update provided at January 2021 meeting
27 November 2020	Members to be sent email providing some clarity around the settlement payment for senior member of staff	Dermot Pearson	Dermot Pearson	Email sent to members – 10 th December 2020
26 May 2020	Value for Money Workshop	Robert Fox/Jon Alsop		Completed November 2020
2 October 2020	At the 27 November 2020 meeting there should be detail on the risk register on those risks that are not included in the sequential number presentation (i.e. why are these no longer considered to be corporate risks)	Robert Parkin	Francesca Houston	Completed on agenda
2 October 2020	The Chief Executive to respond to the Committee on the criteria for the Market Town strategies and whether the response to Covid-19 relates to the commercial sector response or whether it also includes the community and health responses too	Kim Sawyer		Completed
2 October 2020	A full internal audit plan be presented to the Committee on 27 November 2020	Internal Auditor		Completed on agenda
2 October 2020	The final statement of accounts and External Audit Opinion to be received at the meeting of 27 November 2020	Jon Alsop		Completed on agenda

2 October 2020	The letter to Whitehall with regard to quoracy to be shared with the Chairs of the Audit & Governance Committee and Overview & Scrutiny Committee for input and approval prior to being sent	Robert Parkin		Completed. Response from the MHCLG awaited
2 October 2020	The Work Programme for the Committee to include the additional protocols for the Constitution as approved by the Combined Authority Board	Robert Parkin	Scrutiny Officer	Completed on agenda
31 July 2020	The Mayor of the CA be invited to the 2 October 2020 meeting of the Committee to update on the MHCLG correspondence	Scrutiny Officer		Completed on agenda for 27 November 2020; the Mayor being absent on leave on 2 October
31 July 2020	The Internal Audit Plan 2020/21 to be presented at the 2 October 2020 meeting of the Committee	Jon Alsop	RSM UK	Completed on agenda
31 July 2020	That a date for the workshop session for the Constitution review be forwarded to the Committee members as soon as possible.	Robert Parkin	Scrutiny Officer	Occurred on 17 September 2020 followed by a meeting to consider Constitution revisions on 24 September
31 July 2020	The names of all on the Independent Commission on Climate Change will be provided to the Committee.	Paul Raynes	Adrian Cannard	Provided to Committee members
31 July 2020	The Constitution review should include protocols for appointments to Boards, Commissions and Working Groups.	Robert Parkin		Consideration as part of the

				Constitution work moving forward
31 July 2020	A further update on the Corporate Risk Register will be received at the 2 October 2020 meeting of the Committee.			Completed on agenda
31 July 2020	The work programme revisions to be published alongside the minutes of the meeting	Scrutiny Officer		Published on the CA meetings website
31 July 2020	Climate change to appear on future risk register reports to the Committee as a discrete risk.	Francesca Houston		Completed
26 May 2020	The Independent Commission on Climate Change would be commencing its work shortly. The Chair asked that climate change be included on the Risk Register	Francesca Houston		Completed
26 May 2020	Adult Education Budget A & G requested a landscape view on areas where money has been contracted and the Combined Authority has the authority/obligation that standards are met.			Completed on agenda for 27 November 2020 meeting
26 May 2020	A response would be provided to the Committee related to the employment status of the Trading Companies Company Secretary	Robert Parkin		Verbal confirmation was provided at 31 July 2020 meeting
26 May 2020	Chief Executive to provide detail on the Local Transport Plan and how it relates to Peterborough	Kim Sawyer (CEO)		Provided in advance of 31 July 2020 meeting.
26 May 2020	Any changes to the membership of the Committee to be reported to the next meeting.	Robert Fox		Completed on agenda.

26 May 2020	A paper regarding Internal Audit provision following the cessation of the Service Level Agreement with Peterborough City Council would be presented to the next meeting	Jon Alsop		Completed on agenda.
26 May 2020	Action Sheets to be presented to future meetings in a format that more clearly distinguished open and closed actions	Robert Fox		Completed on agenda
26 May 2020	The Chair asked that the final statement of accounts be forwarded to members in advance of the publication deadline for the 31 July 2020 Committee meeting.	Jon Alsop		Completed
26 May 2020	A member requested further detail on the loans provided and who they were to as there are likely to be questions prompted by this	Jon Alsop		Completed on agenda
26 May 2020	The s.73 Officer agreed to make sure that the notes to the accounts provided context to the section on salaries and salary related payments, as this was likely to be an area of public interest	Jon Alsop		Completed on agenda
26 May 2020	The final statement of accounts notes would provide context to salaries and salary related payments	Jon Alsop		Completed on agenda
26 May 2020	A further update on External Audit requested for 31 July 2020 meeting	Ernst & Young		Completed on agenda
26 May 2020	The next Committee meeting on 31 July 2020 be presented with an updated risk register. That update should highlight the top three or four risks and show where risks were increasing or decreasing	Francesca Houston		Completed on agenda
26 May 2020	The presentation of the work programme be developed to improve clarity	Robert Fox		Completed on agenda

26 May 2020	Protocols for agreeing changes to the Audit Plan and developing future plans would be included as part of the next report to Committee in December 2019.	Steve Crabtree/Jon Alsop		Completed.
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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No:4

Report title: Assurance Framework

To: Audit and Governance Committee

Meeting Date: 5 March 2021

Public report: Public Report

From: Rochelle Tapping
Deputy Monitoring Officer

Recommendations: The Audit and Governance Committee is recommended to:

a) To approve and recommend the revised draft of the Assurance Framework to the Combined Authority Board, and to delegate to the Chief Legal Officer and Monitoring Officer (in consultation with the Chair of Audit and Governance, the making of any minor amendments following any further comments received from MHCLG

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 At their meetings on 25 November 2019 and 27 November 2019 the Business Board and the Combined Authority Board agreed a revised single Assurance Framework. The Audit and Governance Committee noted that revised Assurance Framework on 16 December 2019. A further revision of the Assurance Framework was brought to the Committee in September 2020. It was decided to delay recommending that version to the Combined Authority to account for further improvement. Numerous revisions have been made since that date.
- 1.2 The Committee is asked to approve the draft revised Assurance Framework, recommending adoption to the Combined Authority Board.

2. Background

- 2.1 MHCLG produced the National Assurance Framework in January 2019 which applies to Mayoral Combined Authorities (MCAs) with a Single Pot and Local Enterprise Partnerships (LEPs). Government requires all MCAs and all LEPs to produce and publish a Local Assurance Framework that aligns with the National Assurance Framework and which sets out the arrangements in place to ensure that public money is being managed effectively.

The National Assurance Framework states:

MCAs and LEPs should outline the following in their Local Assurance Framework:

- a. A clear description of roles and responsibilities;*
- b. Arrangements for taking and accounting for all decisions and ways of working – ensuring effective public engagement, with key documents, decisions etc. made public in line with the requirements placed on Local Authorities, and an agreed means to manage conflicts of interest;*
- c. Responsibilities of the Accountable Body – MCAs are their own Accountable Body and therefore should provide detail of how they are ensuring proper financial oversight of their projects, programmes and portfolios, including clarity on the role of the Section 73 Officer. The LEP must provide clarity on the role of the Section 151 Officer (or equivalent) and Accountable Body with regards to governance and financial oversight⁹; and*
- d. Arrangements to ensure value for money (Part C) – MCAs and LEPs should provide a clear and transparent basis against which projects, programmes and portfolios are identified, appraised and prioritised. It should include appropriate methodology to assess value for money with business cases developed in line with government guidance.*

- 2.2 In addition, LEPs are also required to meet specific requirements on governance, accountability and transparency arrangements which are detailed within the Framework and summarised within the compliance checklist at Appendix A. Compliance checks form part of the Annual Performance Review, which is the formal way that Government and each LEP meet to discuss the LEP's **Governance, Delivery** and **Strategic Impact**. Critically, the Annual Performance Review also acts as a key milestone in the process of confirming

future funding payments (more specifically, Getting Building Fund) for the following financial year.

- 2.3 A compliance check was conducted by CLGU during October-November 2020. This followed an Annual Performance Review meeting for the Business Board in February 2021. Noting the difficulties caused by COVID, the scoring system was revised to an outcomes-based approach with findings of “met” and “action needed”, taking account of mitigating circumstances. During that meeting it was confirmed that the Assurance Framework was compliant with Government requirements, as stipulated in the National Framework and that Governance outcomes had been met.

Revisions made to the Assurance Framework

- 2.4 The revisions were made following direct input from officers in the following teams: Finance, Delivery and Strategy, Legal & Governance, the Project Management Office and Business and Skills. The revisions have been categorised in two distinction sections, revisions which are relevant to the Combined Authority and those which are relevant to the Business Board. Appendix 3 is a tracked changed version of the revised Assurance Framework.

2.5 Revisions relevant to the Combined Authority:

- Better clarity is included on the breakdown of multiple streams of funding which the Combined Authority is responsible for as well as noting that the Business Plan and MTFP are refreshed annually but can also be refreshed within the year where there are extraordinary unforeseen circumstances. The PID process is further explained and an updated decision-making table is included.
- During 2020 the Treasury undertook a review of their guidance on appraisal and evaluation of projects (the Green Book) and published a new edition in December 2020. The review highlighted a pattern of over-emphasis on the Benefit-Cost-Ratio (BCR) of a project at the expense of strategic fit, resulting in projects not addressing the needs they were originally designed to, and thus failing to achieve Value for Money (VfM) regardless of the benefits they produce. The Assurance Framework adopted in November 2019 is a clear example of the findings of the review as it states that “VfM can be defined as a Benefit Cost Ratio (BCR) that is at least 2.0 for transport schemes”. Although the role of BCRs in project evaluation has been de-emphasised, this does not imply that BCRs is no longer a key part of the Green Book’s methodology for assessing VfM. In line with the revised Green Book, strategic fit must be considered before BCR. It is then the role of the Combined Authority Board to decide whether a project, that has demonstrated strategic fit, is worth its cost, taking into consideration its risks, outcomes and the resources available to meet the Authority’s wider ambitions.

As identifying a minimum BCR is no longer within current government guidance, the wording in sections 5.1 and 5.8 has been revisited in the proposed draft. This wording has been proposed to the Department for Transport (DfT) who responded on the 19th February expressing support of the changes made, but asking for further detail to be included in the Assurance Framework specifying how the Combined Authority evidence the strategic fit of projects. Delivery and Strategy officers are drafting an additional paragraph to be added which will be sent to DfT and added to the final draft of the Assurance Framework presented to the Combined Authority Board.

- Last year, a report on audit matters was undertaken, with a series of recommendations identified. 'The Assurance Framework has been updated to accurately reflect a number of overarching Project Management changes within the organisation. This includes the approval of internal project initiation documents, which originally required sign-off from the Combined Authority's full Corporate Management Team but now only require sign-off from the responsible Director, Chief Executive and Chief Finance Officer. The Monitoring & Evaluation section of the Assurance Framework has been updated to reflect the latest Monitoring & Evaluation Framework (approved at January's Board meeting), which includes the inclusion of 4 different categories of evaluations that projects are subject to and the Risk and Change Control process has also been updated. This is to reflect the new Risk Management and Change Control documents that were approved by the Combined Authority Board and includes the requirement of Early Warning Notifications. In addition, a Combined Authority audit of a legacy project was carried out last year, and a number of recommendations were highlighted. These have been reviewed in light of the Assurance Framework and referenced where applicable, which includes the importance of setting out roles and responsibilities within a project and new financial reports to monitor project spending. A large majority of the recommendations, however, were related to internal project management processes only, and therefore not required in Corporate documents. Instead, these recommendations are included within project management documents, such as the Combined Authority's 10-Point Guide to Project Management.

2.6 Revisions relevant to the Business Board:

- Confirmation of Business Board boundary as being coterminous with that of the Cambridgeshire & Peterborough Combined Authority has been included, removing agreed LEP overlaps. The newly published government LEP boundary map is now inserted.
- Updated to reflect that a third of Business Board Members are female as opposed to this being an existing target.
- The induction process for new Business Board members has been referenced.
- Amendment to reflect the period for publication of Business Board minutes being 10 days and not 12 days.
- Amendment made to the term of the Business Board Chair, from 2 years to 3 years to reflect the NAF requirement.
- References made to the first call for expressions of interest in relation to LGF applications have been removed given that this is outdated.
- The change request criteria applicable to LGF funded projects has been refined.
- Claw back processes for Business Board related projects and schemes expanded upon.
- Changes have been made to reflect the proposal, for agreement by the Combined Authority, of a member of Overview & Scrutiny shadowing the work of the Business Board and occupying the position of Overview and Scrutiny Lead Member. A role description has been prepared and this item was presented to the Overview and Scrutiny Committee in February 2021. Appendix 2 is the role description.
- References changed to the 'Business Board' as opposed to the 'LEP'

2.7 Formatting changes

Changes to the numbering format of the pages and hyperlinks removed given that documents to which hyperlinks relate are regularly updated, for example the Constitution.

Retaining the hyperlinks would require the Assurance Framework to be updated each time a document referred to is revised. The new website will display all CPCA documents including those which were hyperlink documents in the Assurance Framework. The document has also been redrafted to reflect the current position and more generally redrafted to read more succinctly.

2.8 Horizon Planning

The funding period for Local Growth Funding ends on 31.03.2021. There are plans for future funding from Government including Levelling Up Funding and UK Shared Prosperity Funding, albeit via a bidding process, as applicable. It is therefore anticipated that a revised National Assurance Framework and/or a new Framework document, will be released later this year. Therefore, a further review and/or new document is highly likely and will also provide an opportunity to re-write and/or prepare a fresh framework document. At this time however, it is prudent to revise the Assurance Framework, given that the revisions outlined above are not reflected within the Assurance Framework adopted in November 2019.

- 2.9 The Chair of the Committee requested that the Assurance Framework include details of how the Audit Committee would review the governance arrangements of trading companies set up by the Combined Authority, to manage projects. As a starting point, the National Assurance Framework states that:

*The LEP and Accountable Body should agree an internal audit plan for the year. This should include a risk-based audit plan of LEP activity...
Public funds managed by the Accountable Body will go through their external audit procedures, these will be risk-based which means that they may not receive an external audit every year.'*

- 2.10 There is no expectation that the trading company activities (that relate to projects) of the Accountable Body be included within the Assurance Framework. This is mainly due to the focus of the Assurance Framework being directed towards the LEP role in funding projects, not that of the Accountable Body. Such approach could however be explored further but would need to be agreed by the Combined Authority as the Accountable Body. This could be factored into the forthcoming review following the revised framework as noted in 2.9 above.

3. Financial Implications

- 3.1 None

4. Legal Implications

- 4.1 The adoption of the Assurance Framework ensures that the Business Board and Combined Authority are compliant with the requirements of Government as set out in the National Assurance Framework.

- 4.2 The Combined Authority and the Business Board must notify the Ministry of Housing, Communities and Local Government (MHCLG) if they are considering any significant changes to their Local Assurance Frameworks. Following approval by the Committee, the revised draft will be sent to MHCLG for sign off. The revised draft will also be presented to the Business Board for approval on 4 March 2021. Delegated authority, to the Chair of the Business Board, has also been requested so that minor amendments following feedback from MHCLG, can be made.

5. Other Significant Implications

- 5.1 None

6. Appendices

- 6.1 Appendix 1 – Compliance Checklist
- 6.2 Appendix 2-Role Description for Lead Member from the Overview and Scrutiny Committee
- 6.3 Appendix 3- Track changed version of the revised Assurance Framework

Annex E: Local Assurance Framework Checklist

	Requirement	Further guidance can be found in section	Page	Check
Alignment with the Accounting Officer System Statement MCAs & LEPs should outline in their Local Assurance Framework:				
1	A clear description of the roles and responsibilities.	19.a	11	
2	Arrangements for taking and accounting for all decisions and ways of working.	19.b	11	
3	Responsibilities of the Accountable Body.	19.c	11	
4	The arrangements to ensure value for money.	19.d	11	
5	Publish their Local Assurance Framework on their website.	20.a	11	
London				
6	Publish an agreement that sets out the working level arrangements between the London LEP & GLA.	29	12-13	
PART A: Mayoral Combined Authorities with a Single Pot that includes Local Growth Fund				
The Local Assurance Framework should outline:				
<i>Accountability and Transparent Decision Making</i>				
7	Confirm Accountable Body arrangements for funding received from Government through devolution deals.	45.a	16	
8	Confirm that the use of resources is subject to the usual Local Authority checks and balances.	45.b	16	
9	Confirm, where applicable, investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local transport objectives and through formal LEP involvement.	45.c	16	

10	Describe the arrangements for enabling effective and meaningful engagement of local partners and the public to inform key decisions and future strategy development.	45.d	16	
11	Set out the key roles and responsibilities in decision-making.	46	16	
12	Agree and publish a joint statement with their LEP(s) which sets out their respective roles and responsibilities.	47	16	
13	Set out the means by which elected Mayors will be involved in funding allocation and decision-making.	49	17	
Part B: Local Enterprise Partnerships				
Corporate Structure for LEPs				
14	LEPs must have a legal personality.	62 - 64	20	
Local Assurance Framework & Website				
The Local Assurance Framework must:				
15	Provide information on how the LEP manages its programmes, funding streams and any associated contracts, including Local Growth Fund, City Deals and Enterprise Zones (where applicable).	65.b	20	
16	Provide information on the LEPs' arrangements for ensuring value for money.	65.c (also see Part C)	20	
17	Set of the LEPs' approach to risk.	65.d 176	20 48	
18	Set out how calls for bids or projects are advertised openly and that selection criteria and selection processes are transparent.	65.e	21	
19	Ensure the transparent publication of financial information.	65.g 107-109	21 29	
20	Ensure appropriate succession planning and arrangements for resignation of Board Members.	65.i	21	
21	Implement an induction process.	65.j 81-82	21 24-25	

22	Set out the processes the LEP has put in place in regard to the handling on data.	65.m 102	21 28	
23	Provide information on LEP scrutiny arrangements.	65.o	21	
Websites				
24	Have a dedicated website.	67 - 71	21-22	
Local Engagement				
25	Set out how the LEP will conduct ongoing local engagement.	65.f	21	
26	Set out how the LEP will evidence effective engagement.	72-74	22-23	
Appointment Process for Board Members and Chairs				
27	Set out how the LEP ensures open recruitment processes.	65.h	21	
28	Set out the appointment process for Board members (Public and Private sector), Chairs and Deputy Chairs.	75-77	23	
Diversity Statements				
29	Set out the LEPs commitment to diversity, including a diversity statement.	65.l 78-79	21 23-24	
Board remuneration and LEP Officer salaries				
30	Set out the expenditure and/or remuneration policy for Chairs and Board Members clear on their websites.	80	24	
Code of Conduct				
31	Have a code of conduct which all Board Members and LEP Officials sign up to.	55-57 83 - 85	18-19 24-25	
Conflicts of Interest				
32	Set out how the LEP manages conflict of interest, including having a conflict of interest policy.	65.k 86 - 92	21 25-26	
Complaints for Third Parties and the Public				
35	Set out the LEPs overarching approach to dealing with complaints and whistleblowing.	65.n 97-101	21 26-28	
36	Have a Complaints Policy.	93-96	26-27	
37	Set out the confidential reporting arrangements.	94	26	
Whistleblowing Policy				
38	Have a Whistleblowing Policy.	97-101	27-28	

Publication of meeting and agenda items				
39	Commit to the publication of meeting agendas, papers and minutes.	103-104	28	
Handling confidential and exempt information				
40	Set out the process for handling information which is not to be placed in the public domain.	105-106	28-29	
Management of Contracts				
41	Set out how the LEP or its nominated party, will manage contracts related to the delivery of its programmes and how the LEP Board will be kept informed of progress.	114	30	
Government Branding				
42	The LEP should commit to meeting the Government branding guidelines for projects.	115	30	
Accountability and decision making				
43	Set out the LEP's structure, and decision making processes.	65.a, 117	20, 31	
44	Confirm the accountable body arrangements for funding received.	116.a.	31	
45	Confirm that public resources are managed appropriately.	116.b	31	
46	Confirm where applicable, investment decisions will be made for all funding with reference to statutory requirements, conditions of funding, local transport objectives and through formal MCA or CA involvement where required.	116.c	31	
47	Describe the arrangements for enabling effective meaningful engagement of local partners and the public to inform key decision and future strategy development.	116.d	31	
49	Roles and responsibilities of the Chair, LEP Board, Sub-boards, Accountable Body and Section 151 Officer.	118	31	
50	Membership requirements of the Board and sub-boards.	119	31	
51	Clear scheme of delegation.	119	31	

52	LEPs in MCA areas agree and publish a joint statement which sets out their respective roles and responsibilities.	120	31	
53	Specify that a decision which is made in contravention of the process will be invalid.	121	32	
54	Openly advertise funding opportunities, assess applications make the award through a formal agreement, monitor progress for the lifetime of the project, and maintain a robust audit trail to demonstrate compliance.	123	32	
<i>The LEP Board</i>				
55	The LEP Board consists of at least two-thirds private sector.	125	32	
56	A LEP Board member designated as a Small and Medium Enterprise, which is published on the website.	127	33	
57	The LEP Board should have a maximum of 20 people, with the option to co-opt an additional five Board Members.	128	33	
<i>Chair and Deputy Chair</i>				
58	The LEP Chair must come from the private sector.	132	34	
59	The LEP must have a Deputy Chair.	133	34	
60	The LEP Chair and Deputy Chair have a defined term limit of three years with an optional extension of three years.	133	34	
<i>LEP Staff and Independent Secretariat</i>				
61	Outline how the independent secretariat will function.	134-135	34	
<i>LEP Network: cooperation, collaboration and partnership with other LEPs</i>				
62	Commit to working with the LEP Network.	136	35	
63	The LEP should outline the dependencies or relationships with other LEPs as appropriate.	136-137	35	
<i>The Accountable Body and Section 151 Officer</i>				
64	The LEP has a single Accountable Body.	139	35	

65	Outline the agreement between the Accountable Body and the LEP.	141	36	
Section 151 Officer Role				
66	The S151 officer should provide a letter by the 28 February each year.	145	37	
Decisions relating to LEPs awarding public funds				
67	Describe the decision making process.	147	38	
68	A commitment from all LEP board and sub group members to making decisions on merit having taken into account all of the relevant information available at the time.	147.a	38	
69	Clear lines of accountability to the LEP Board and, where applicable, the Accountable Body.	147.b	38	
70	Describe the process for recording decisions and communicating these to the Accountable Body, CA or MCA.	147.c	38	
71	Information on the LEP's decision making procedures, including the arrangements for ensuring decisions are taken at meetings which are quorate.	147.d	38	
72	A link to the current schemes of delegation.	147.e	38	
73	The person (or name of the position) responsible for providing the final sign off for funding decisions.	147.f	38	
74	Describe the process by which the Accountable Body confirms receipt of the information and can report back when the direction is completed.	147.g	38	
75	The process allowing decisions, by exception, to be made by the LEP Board in the absence of a formal meeting.	147.h	38	
76	A system for promptly considering complaints.	147.i	38	
77	A system showing how investment decisions must be subject to a proportionate	147.j	38	

	business case and evaluation and how decisions must be subject to scrutiny arrangements in line with the LEP processes.			
78	<p>A statement setting out the documents which shall be made available to the LEP board in advance of making decisions which should include:</p> <ul style="list-style-type: none"> • The application made for funding • An appraisal of the application • A view by a legal expert • A recommendation as to whether to fund the proposal • A recommendation about conditions which should be attached to the proposal. 	148	38-39	
79	<p>Set out the LEPs role in recovering funding where there has been non-compliance, misrepresentation or underperformance, this should include, the LEP Board or delegated sub-group receiving reports providing information on projects which have received funding, including:</p> <ul style="list-style-type: none"> • A description of projects where concerns have been identified • Relevant details including the amount of funding awarded and the sum at risk due to the concerns • Where recovery of funds is considered, a legal opinion which sets out the legal basis for recovery and likelihood of success. 	149	39	
80	Set out the arrangements to recover non-compliant funding.	150	39	
Scrutiny and Audit arrangements				
81	Describe the agreed scrutiny and audit arrangements.	154	40	

In addition to the information that must be contained in the Local Assurance Framework, the website must contain the following:				
	Requirement	Section	Page	Check
1	The National Assurance Framework	70.a	22	
2	An annual financial statement.	70.b	22	
3	The LEP annual report and delivery plan.	70.c	22	
4	A statement on the publication of meeting papers, minutes and agenda items.	70.d	22	
5	Copies of the LEP Board meeting agendas, papers and minutes.	70.e	22	
6	The Annual Assurance statement from the leadership of the LEP.	70.f	22	
7	The LEP's Code of Conduct.	70.g	22	
8	Board Member's registers of interest and the register of the Chief Executive Officer.	70.h	22	
9	The LEP hospitality and expenses register.	70.i	22	
10	Complaints Policy	70.j	22	
11	Whistleblowing Policy	70.k	22	
12	A rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funds designated by year.	70.l	22	
13	Key LEP documentation.	70.m	22	
14	Information on the process for applying for funding	113	30	
15	SME Champion	127	33	
16	The LEP should ensure that it uses the correct Government branding on any relevant website page. Additional guidance is provided to LEPs.			

Appendix 2

Role Description for Overview and Scrutiny Lead Member for the Business Board

Background

The Business Board is the Local Enterprise Partnership (LEP) for the Cambridgeshire and Peterborough region whose accountable body is the Cambridgeshire and Peterborough Combined Authority.

Key Roles of the Business Board:

- ❖ The Business Board is the custodian and plays a vital leadership role in the development of the Local Industrial Strategy.
- ❖ It allocates local growth funds to improve economic opportunity in the area and will monitor the delivery of funded projects.
- ❖ The Business Board develops initiatives to address the local skills challenges and will play a key role in developing the University of Peterborough
- ❖ The Business Board supports applications for the Industrial Strategy Challenge Fund programme

With significant areas of the local economy being considered by the Business Board the Overview and Scrutiny Committee (O&S) has a role in scrutinising the work of the Business Board. In order to do so, an appointed member of Overview & Scrutiny will lead in respect of the work of the Business Board, this member will occupy the position of Lead Member.

Role Title

Lead Member for Business Board

Role Purpose

To scrutinise the work of the Business Board, adopting an independent mindset

Role Description

- Reviewing the Forward Plan, agendas, minutes and reports of the Business Board
- Attending meetings of the Business Board as an observer
- Attending interview panels for Senior Business Board appointments, including Private Sectors Members and Senior Officers
- Attending the Dragons Den (EAP) sessions as an observer
- Reviewing and scrutinising decisions recommended by the Business Board, to the Combined Authority Board
Liaising with the Chair of the Business Board and officers, to obtain a better understanding of projects
- Reporting findings back to the O&S Committee and Business Board.

Access to Exempt and Confidential Documents

The Lead Member will not be entitled to copies of:

- (a) of any such document or part of a document as contains 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 contained in any programme of work of such a committee or sub-committee of such a committee; or
- (b) of a document or part of a document containing advice provided by a political adviser

The Lead Member will not be permitted to observe meetings of the Business Board where confidential reports and/or documents are being discussed.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

DRAFT

Cambridgeshire and Peterborough Combined Authority Assurance Framework

March 2021

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May 2019	Chief Executive, CPCA S73 Officer and Directors	Business Board Combined Authority Board

November 2019	Chief Executive, CPCA S73 Officer and Directors	Business Board Combined Authority Board
March 2021		

Item 4

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1. Purpose of the Assurance Framework

1.1 Purpose

1.1.1. The Assurance Framework sets out:

- (a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices, and procedures.
- (b) The respective roles and responsibilities of the Combined Authority, the Cambridgeshire and Peterborough Local Enterprise Partnership (known as the Business Board) and the Section 73 Officer, in decision-making and ways of working is set out in the terms of reference of the Business Board and is included within the Combined Authority constitution.
- (c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.
- (d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.
- (e) The processes for oversight of projects, programmes, and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

1.1.2. The Assurance Framework sits alongside a number of other Cambridgeshire and Peterborough Combined Authority documents including:

- the Constitution of the Mayoral Combined Authority
- the Constitution of the Business Board (Local Enterprise Partnership)
- The Cambridgeshire and Peterborough Devolution Deal
- the Cambridgeshire and Peterborough Independent Economic Review (CPIER)
- Local Industrial Strategy
- the Mayor's growth ambition statement
- the Cambridgeshire and Peterborough Annual Report & Business Plan
- the Monitoring and Evaluation Framework
- the Combined Authority Medium-Term Financial Plan 2019-2023

1.1.3. All these documents can be found on the Combined Authority and Business Board websites.

1.1.4. This Assurance Framework replaces the last published Assurance Framework and takes on board the national guidance published by the Ministry of Housing, Communities and Local Government for National Local Growth Assurance Framework (January 2019).

1.1.5. The Assurance Framework covers all funds within the Cambridgeshire and

Peterborough Medium Term Financial Plan, incorporating the Single Pot under the Cambridgeshire and Peterborough Devolution Deal agreed with government, and funds added to the Single Pot since the Devolution Deal, together with other sources of income such as Enterprise Zone business rates and loan repayments.

1.1.6. The Assurance Framework will be reviewed at least annually to ensure that it is kept up to date reflecting changes in the Combined Authority's operating environment and changes to Government policy. **Where potential changes result in significant divergence from the approved local assurance frameworks, adjustments must be agreed by Ministry of Housing, Communities and Local Government for Communities and Local Government (MHCLG) as set out in the National Local Growth Assurance Framework guidance.**

1.1.7. The remainder of this document is structured around the following sections:

- **Section 2** describes the Cambridgeshire and Peterborough CPIER, the Mayor's growth ambition statement and our Annual Report & Business Plan and clarifies the content of Cambridgeshire and Peterborough Medium Term Financial Plan and the role of the Assurance Framework.
- **Section 3** describes the accountability and transparent decision-making processes and practices that we operate and the roles and responsibilities within it.
- **Section 4** describes the supporting policies and procedures.
- **Section 5** describes how we make robust and evidenced decisions.
- **Section 6** explains the processes once programmes and projects are in the delivery phase.
- **Section 7** explains how we will measure the success of our investments, realise the benefits of that investment and feed the evaluation outcomes back into the investment planning, and strategy and policy development processes.

2. Cambridgeshire and Peterborough Independent Economic Review, Mayor's Growth Ambition Statement and Annual Report & Business Plan

2.1 Cambridgeshire and Peterborough Growth Ambition Statement and Local Industrial Strategy

- 2.1.1 The Cambridgeshire and Peterborough Mayor's Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. The Statement was adopted by the Combined Authority Board (November 2018) and is based upon the significant work of the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
- 2.1.2 The CPIER was commissioned by the Combined Authority and other local partners to provide a world-class evidence base, alongside independent and expert analysis, to inform future strategies and investment. It was also informed by two rounds of open public consultation. The CPIER is publicly available on the CPIER website.
- 2.1.3 The Local Industrial Strategy sets out the economic strategy for Cambridgeshire and Peterborough, taking a lead role in implementing the business growth, productivity, and skills elements of the Growth Ambition Statement as set out below:



- 2.1.4 The Local Industrial Strategy is focussed around the five foundations of productivity established in the UK Industrial Strategy 2018, namely:
- People
 - Ideas
 - Business Environment
 - Infrastructure
 - Place

A core principle of the Local Industrial Strategy is that the fifth foundation of place reflects the findings of the CPIER. In this area there are economic strategies which respond to the three sub-economies identified in the region.

- Greater Cambridge
- Greater Peterborough
- The Fens

2.1.5 The methodology for ensuring investment decisions align with the Combined Authorities strategic objectives is set out in section 5.

2.2 Cambridgeshire and Peterborough Annual Report & Business Plan

2.2.1 The CPCA Annual Report & Business Plan is approved in January and sets out the investment priorities for the forthcoming financial year. For simplicity the rest of this document will refer to it as the Business Plan.

2.2.2 The Combined Authority continues to develop its detailed strategies for key areas of activity including:

- Housing Strategy
- Skills Strategy
- Local Industrial Strategy
- Local Transport Plan
- Non-Statutory Spatial Framework

2.2.3 The Combined Authority has priority projects and programmes, which are based upon the CPIER objectives and the strategies highlighted above and are reflected in the Business Plan, along with other projects.

2.2.4 Alongside the Business Plan, and in line with its statutory duties, the Cambridgeshire and Peterborough Combined Authority Board approves both a one-year budget, and a four-year Medium-Term Financial Plan, that forms the investment plan for the Combined Authority. This allocates resources to deliver the Combined Authority's objectives set out in the Business Plan.

2.2.5 The Business Plan and the Medium-Term Financial Plan sets out at a high level the transformational investments that the Cambridgeshire and Peterborough Combined Authority will commit resources to, subject to the detailed consideration and appraisal of project business cases. Some are project ideas at an early stage where their feasibility is being established, others are further advanced. The Business Plan and the Medium-Term Financial Plan are not intended to be an exhaustive list of activity as new opportunities will arise during the period, but it identifies the key activities that will need investment during the planned period to unlock the opportunities they could bring. Prioritisation has been undertaken to ensure that our investment goes into projects that will unlock transformational anchor projects that will have a significant impact on

growing the whole Cambridgeshire and Peterborough economy.

- 2.2.6 The Combined Authority has a Programme Management regime that reviews the status and performance of projects within the Business Plan.

2.3 Cambridgeshire and Peterborough Financial Strategy

- 2.3.1 The Combined Authority has responsibility for multiple streams of grant funding to invest strategically in the local area, including:

- Gainshare
- Housing Capital Grant
- Local Growth Funds and the Getting Building Funds
- Transforming Cities Fund

- 2.3.2 The Combined Authority also has responsibility for operational grant funds such as:

- Local Highways Maintenance Capital grants
- The Adult Education Budget

- 2.3.3 The Combined Authority has non-grant income streams including Enterprise Zone business rates, the Transport Levy and investment income. The long-term security of the gainshare funds and other income and the devolution deal powers for the Combined Authority means that it is able to borrow against future funds, to enable the Combined Authority to deliver transformational activity sooner rather than delivering smaller scale and less impactful activities based on a smaller annual allocation. This area of activity is incorporated into a Financial Strategies that are overseen by Audit and Governance Committee. Debt funded expenditure is not factored into the current four-year plan, but this may change as the feasibility work identified firms up project delivery programmes.

- 2.3.4 The Combined Authority does not distinguish between the different sources of funding for the purpose of investment planning, other than recognising that some sources of funding are restricted in what they can be used for. All funds are within the Cambridgeshire and Peterborough Medium Term Financial Plan, not just the funds provided through the Devolution Deal, and are covered by this Assurance Framework.

- 2.3.5 The Combined Authority recognises that the monitoring requirements for different sources of funding will differ and needs to meet the requirements of the funding body. However, the Combined Authority applies the Assurance Framework across all projects regardless of funding source. The Assurance Framework clearly identifies the processes for securing funds for investment in Cambridgeshire and Peterborough and the requirements placed on delivery partners once their projects have been approved.

- 2.3.6 This means that any organisation seeking funding from the Combined Authority does not need to concern itself with the source of the funding and different rules and processes that will apply. These will be identified in the funding agreement/contract with the delivery partner.

3. Accountability and Transparent Decision Making

3.1 Roles and Responsibilities

- 3.1.1 Members of the Combined Authority are expected to act in the interests of the Cambridgeshire and Peterborough area as a whole when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias and/or the perception of bias. Further details are provided in the following sections.

3.2 Cambridgeshire and Peterborough Combined Authority

- The Combined Authority was established to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. As a statutory local authority, the governance, decision-making and financial arrangements are in line with local authority requirements and standard checks and balances. **The Combined Authority will act in a manner that is lawful, transparent, evidence based, consistent and proportionate.**
- The Combined Authority was established in 2017. The Mayor of the Combined Authority was first elected in May 2017, and elections are held every four years.
- For the purposes of this document, the majority of references to the 'Combined Authority' apply to both the Cambridgeshire and Peterborough Combined Authority and the Business Board unless explicitly referred to separately.
- The Combined Authority therefore incorporates the roles and responsibilities as defined in the Devolution Deal and the administration of the Adult Education Budget.
- The Combined Authority is its own accountable body for funding received from Government through the Devolution Deal and provides the accountable body role for the Business Board and the Greater South East Local Energy Hub and employs the officers that support them.

Combined Authority Membership

- The Combined Authority membership is as follows: Mayor (Chair) – voting Leaders of the seven constituent local authorities:
 - Cambridge City Council - voting
 - Cambridgeshire County Council - voting
 - East Cambridgeshire District Council - voting
 - Fenland District Council - voting
 - Huntingdonshire District Council - voting
 - Peterborough City Council - voting
 - South Cambridgeshire District Council - voting
 - Business Board Chair - voting

- The Police and Crime Commissioner for Cambridgeshire - non-voting
- Cambridgeshire and Peterborough Fire Authority representative - non-voting
- Clinical Commissioning Group representative - non-voting

Role of the Mayor

- The Constitution provides for a directly elected Mayor of Cambridgeshire and Peterborough, required by government as a precondition for meaningful devolution, and whom is the chair of the Combined Authority. The Mayoral arrangements will only gain the confidence of the electorate if they secure support from across our diverse communities, meet the highest standards of democratic accountability and are subject to robust checks and balances.
- The Mayor chairs the Combined Authority Board which is made up of the leaders of the seven constituent authorities and the Chair of the Business Board, who together form the Combined Authority's decision-making body (voting members of Board), along with other non-voting partners set out above.
- The Constitution sets out arrangements to ensure the effective conduct of the Combined Authority's business is in this spirit of collaboration, mutual respect and transparency. All members strive to work on the basis of consensus; taking decisions through agreement.
- The Mayor has a lead role in allocating Gainshare Funding. The Mayor's Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. These priorities also form the basis of the Business Plan and the Medium Term Financial Plan. The Mayor also produces his own budget each year which ensures he has appropriate support and advice on delivering the Devolution Deal commitments.
- The Mayor has general powers as set out in Chapter 3 of the Constitution, including the power to pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities.
- The Mayor of the Combined Authority was first elected in May 2017, and elections are held every four years.

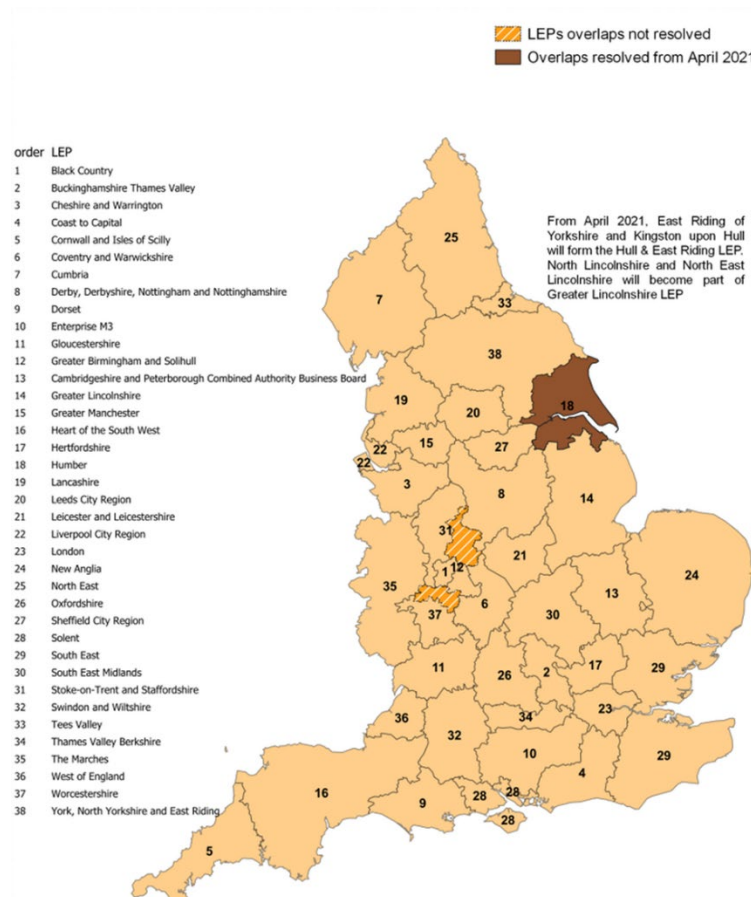
Role of the Local Authority Leaders

- Leadership of the Combined Authority is driven by the Mayor and the local authority leaders. The local authority leaders represent the views of their constituent authorities at the Combined Authority Board whilst putting the needs and opportunities of Cambridgeshire and Peterborough at the forefront of all decisions. In addition, they may take a portfolio lead covering the growth themes within the CPIER and the Mayor's Growth Ambition Statement and the Cambridgeshire and Peterborough Investment Plan. These portfolio lead roles are reviewed annually and are confirmed at the Combined Authority's Annual

3.3 Business Board (LEP)

- 3.3.1 Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the former Department of Business Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.
- 3.3.2 The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. A joint statement setting out the respective roles of the Business Board and the Cambridgeshire and Peterborough Combined Authority is shown in Appendix 1.
- 3.3.3 The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) 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.
- 3.3.4 The Cambridgeshire and Peterborough Combined Authority acts as the Business Board's Accountable Body to undertake the public funding accountability responsibilities for administering funds and must also review and approve this Framework.
- 3.3.5 The Business Board is committed to transparent and accountable decision-making processes. By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.
- 3.3.6 Prompted by Government's Strengthened Local Enterprise Partnerships Review, which called for local areas to reach solutions to remove the delivery geography overlap between LEPs, the Business Board has become coterminous with the CPCA geography.
- 3.3.7 To formalise coterminous approach, the Business Board has entered into Strategic Partnership Agreements (SPA) to transfer delivery of services in overlap areas to neighbouring LEPs. SPA's has been agreed with New Anglia LEP, South East LEP, Hertfordshire LEP and Lincolnshire LEP. HMG's Cities and Local Growth Unit (CLGU) have been consulted on the CPCA's adopted approach to resolving the LEP overlaps and have confirmed all previous overlap issues between the CPCA Business Board and its neighbouring LEPs as concluded.

3.3.8 Government has produced the following revised LEP boundary map showing the new LEP geographies demonstrating the Business Board geography is now confirmed as coterminous with the CPCA geography:



- 3.3.9 The red line denotes the area covered by the Cambridgeshire and Peterborough Combined Authority and Business Board:



- 3.3.10 The Business Board is the principal forum for collaboration between the public and private sectors, for improving the economy of Cambridgeshire and Peterborough. In 2014, the Government announced the first wave of Growth Deals, making investment via its Local Growth Fund. Also Government announced allocation of the Getting Building Funding in summer 2020. To date, the Business Board (via the former Local Enterprise Partnership) has been awarded £161m via three rounds of Growth Deal funding and the Getting Building Funding allocations.
- 3.3.11 The Business Board provides leadership in the arena of economic growth across its area. Comprising business leaders from key industry sectors, it provides expert knowledge and insight into economic growth-related activities in its area and leads the development of the Industrial Strategy.
- 3.3.12 The Business Board is building on the strength of its existing partnership with neighbouring Local Enterprise Partners by collaborating on common issues and is currently leading on multi LEP programmes on Energy and Agri-Tech. It will continue to work collaboratively across the wider region and envisages working more closely with other Local Enterprise Partners that are outside the current Local Enterprise Partnership area potentially through new collaborations and funding agreements.

- 3.3.13 The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.
- 3.3.14 The Chair and Vice Chair of the Business Board are private sector representatives. The Chair will lead on building the reputation and influence of the area at a national and international level and chairs Business Board meetings. The Chair is also a voting member of the Cambridgeshire and Peterborough Combined Authority Board. The Vice Chair will be available to deputise for the Chair as required.
- 3.3.15 The Business Board has a designated small business (SME) champion who will lead the engagement with small businesses across the area and represents their views at Board level. Given the makeup of the local business community, this is a vital role on the Board.
- 3.3.16 All of the Board Members operate in an open and transparent manner and conduct themselves in accordance with 'The Seven Principles of Public Life' otherwise known as the Nolan Principles, and Code of Conduct.
- 3.3.17 The Business Board is committed to diversity and has a Diversity Statement in place to help guide Board appointment decisions.
- 3.3.18 The Business Board's Executive Team includes an experienced Chief Executive, S73 Officer (CPCA S73 Officer), Monitoring Officer, Directors, Programmes Managers and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.
- 3.3.19 The other public and private sector members of the Local Enterprise Partnership support the Combined Authority's work by:
- Supporting and offering advice to the Combined Authority on their responsibilities.
 - Championing and promoting specific initiatives from the perspective of business.
 - Influencing the development of the Combined Authority's strategies and policies, including as lead organisation for the development of the Local Industrial Strategy at the invitation of the Combined Authority.
 - Representing the Cambridgeshire and Peterborough nationally and internationally.
 - Ensuring a strong business influence over decision-making.
 - Supporting the development and delivery of the CPIER and the Mayor's Growth Ambition Statement.
- 3.3.20 Cambridgeshire and Peterborough are an active member of the national Local Enterprise Partnership Network and will continue to be so. This includes participation in both Local Enterprise Partnership Chair and officer level meetings.

- 3.3.21 **Enterprise Zones:** The Business Board retains strategic oversight and governance of the Enterprise Zones, and delegates programme delivery to the Alconbury Weald Enterprise Zone Programme Board and Project Boards for Cambridge Compass Enterprise Zones. These Boards will drive forward the regeneration and economic growth opportunities of Enterprise Zone sites and will be responsible for reporting to both the Business Board and Combined Authority Board as the accountable body.
- 3.3.22 These Enterprise Zone Boards comprise of Combined Authority officers, Local Authority representatives and key stakeholders. Each is responsible for delivering the programmes and projects associated with the regeneration and development of the Enterprise Zone site.
- 3.3.23 **The Eastern Agri-Tech Growth Initiative & Agri-Tech Programme Board:** The Eastern Agri-Tech Growth Initiative is overseen by the Eastern Agri-Tech Programme Board. Membership of the Programme Board includes experts with experience and knowledge of agriculture and the food industry, including research, farming and food processing.
- 3.3.24 The Programme Board's main task is to consider and make decisions on applications for grant support. All applications are initially appraised by external independent assessors and follow the process set out in the Constitution. Copies of the Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire (the simple eligibility form) can be found on the Combined Authority and Business Board website.
- 3.3.25 The Eastern Agri-Tech Growth Initiative has its own monitoring and evaluation arrangements, but these do link to the Combined Authority Monitoring and Evaluation Framework.
- 3.3.26 Agri-Tech is one of our strategic growth sectors identified by the CPIER; our ambition is to use the Local Industrial Strategy to step up our programme to ensure we are the "go to" UK centre for Agri-Tech. Agri-Tech also features within our Skills Strategy.
- 3.3.27 The Combined Authority Board delegates decisions about applications for the grant funding for the Eastern Agri-Tech Programme to the Eastern Agri-Tech Programme Board. Specifying that that the Programme Board became a sub-Board of the Business Board and that a member of the Business Board (nominated by the Business Board) became the Chair of the Programme Board. This would strengthen existing governance arrangements and provide continuity between the two Boards. The agenda and decisions of the Programme Board would be published on the Combined Authority/Business Board web site (with names of individuals redacted) in accordance with the transparency arrangements set out in the Business Board constitution. This will ensure that the operation of the Agri-Tech programme is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority is the Accountable Body for the Eastern Agri-Tech Growth Initiative.

- 3.3.28 The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Agri-Tech Project Officer, who is a very experienced programme manager and ensures that the Programme Board operates effectively, that its decisions are sound and that the Eastern Agri-Tech Growth Initiative is successful and delivers meaningful outcomes.
- 3.3.29 The Terms of Reference (TOR) for the Eastern Agri-Tech Programme Board have been agreed and appear on the Combined Authority/Business Board web site. The TOR can be seen on the CA/Business Board website.
- 3.3.30 **The Greater South East Energy Hub & Energy Hub Board:** The Energy Hub is funded by the Department for Business, Energy & Industrial Strategy (mc) and overseen by the Hub Board. Membership of the Hub Board includes an officer representative from each of the eleven Local Enterprise Partnerships served by the Hub.
- 3.3.31 The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board's main task is to approve the allocation and leverage of funds for the Local Energy Capacity Support Programme. The Hub Board are responsible for oversight of the Rural Community Energy Fund (RCEF) Funding Panel; a Hub Board subordinate body that makes decisions on grant applications. All applications are initially appraised by external independent assessors and follow the process agreed with Government. Copies of the RCEF guidance notes and Expression of Interest form can be found on the RCEF website.
- 3.3.32 The Energy Hub has its own project assessment frameworks, monitoring and evaluation arrangements but these do link to the Combined Authority Monitoring and Evaluation Framework.
- 3.3.33 Clean growth is one of the Grand Challenges in the Industrial Strategy. The transition to local low carbon energy is set out in the Local Energy East Strategy and the CPIER recognises the need for a roadmap to decentralised smart energy systems.
- 3.3.34 The Business Board and the Cambridgeshire and Peterborough Combined Authority have agreed that the Combined Authority would be the Accountable Body for the Energy Hub and that the Energy Hub would assume the RCEF management role and administer the Fund. They also agreed the Hub Board terms of reference recognising it as a decision-making body for the Hub.
- 3.3.35 The agenda and decisions of the Hub Board will be published on the Combined Authority/Hub Board website (with names of individuals redacted). This will ensure that the operation of the Energy Hub is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority Board is the Accountable Body for the Energy Hub Initiative.
- 3.3.36 The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Regional Energy Hub Manager, who ensures that the Hub Board operates effectively, that its decisions are sound and that the

Greater South East Energy Hub is successful and delivers meaningful outcomes.

- 3.3.37 The Terms of Reference (TOR) for the Hub Board have been agreed and appear on the Combined Authority/Energy Hub web site. The TOR can be seen on the Combined Authority/Energy Hub website.

Membership of the Business Board

- 3.3.38 The Business Board has been reviewing its membership in response to the national Local Enterprise Partnership review (Mary Ney, 2017) and government's response "Strengthened Local Enterprise Partnerships" (July 2018). The current membership comprises of fourteen members, which includes two public sector members and up to twelve business representatives as follows:
- The Mayor and the Portfolio for Economic Growth of the Cambridgeshire and Peterborough Combined Authority shall be non-voting members of the Business Board by virtue of their office. Thus, ensuring close working relationship between the Combined Authority and the Business Board.
 - Twelve private sector members appointed from the key sectors across the Cambridgeshire and Peterborough area.
 - One of the twelve private sector members is appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one member represents the education sector and one member is appointed as an international business representative.
- 3.3.39 The Business Board membership meets the requirements for two thirds of the members to be private sector representatives and does not exceed the maximum of 20 members. Whilst all appointments to the Business Board have been made 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:
- That women make up at least one third of Business Board.
 - With an expectation for equal representation by 2023.
 - Ensure its Board is representative of the businesses and communities they serve.
- 3.3.40 The Business Board will regularly review its agenda balance on the Business Board and any committees.
- 3.3.41 The Business Board Constitution sets out its role, the principles of membership and the terms of office.
- The term of office for **private sector representatives** will normally be a maximum of three (3) years, and subject to a maximum of one consecutive term.
 - The term of office of **public sector** members appointed by the Combined Authority is at their discretion; the Mayor is a member by virtue of his office.

- 3.3.42 The **Chair** Business Board may appoint **up to five** co-opted members as necessary to complement the skills and expertise on the Board or to meet gender balance and protected characteristic requirements. Membership may not exceed 20 members and up to five co-opted members.
- 3.3.43 Private sector members all have expertise and knowledge of our key sectors. These details together with their biographies are published on the Business Board website including a designated SME representative.

Chair and Vice-Chair of Business Board

- 3.3.44 The Constitution requires that the Chair and Vice-Chair must be the private sector representatives of the Board.
- 3.3.45 The terms of office of the Chair and Vice-Chair will be for three (3) years with one consecutive term permitted upon unanimous vote of the Board members present and voting.
- 3.3.46 The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board.
- 3.3.47 “Strengthened Local Enterprise Partnerships” stipulated a maximum membership of 20 members with 2/3rds from the private sector and to aim to have a 50/50 gender balance by 2023.
- 3.3.48 Following the revised Assurance Framework Guidance (January 2019), Higher Education and Further Education will represent the private sector on the Local Enterprise Partnership.
- 3.3.49 The Business Board Constitution states that private sector members including the Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with its Diversity Statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by the relevant Business Board’s appointments panel. The Business Board will consult widely and transparently with the business community before appointing a new Chair. When vacancies become available for private sector Local Enterprise Partnership members, they will be advertised on the Combined Authority website. In addition, social media will be used to raise awareness of the opportunities, particularly among under-represented groups. A recruitment panel (including the Cambridgeshire and Peterborough Mayor and Local Enterprise Partnership Chair) assesses applications received and makes a recommendation to the Combined Authority Board for approval of appointments.
- 3.3.50 All Local Enterprise Partnership members (public and private) are expected to conduct themselves in accordance with the seven principles of public life. This is set out under the Code of Conduct detailed in the Combined Authority Constitution and provided to all new Local Enterprise Partnership members in their induction information. All members sign up to the code of conduct and the Nolan principles. As stated in its constitution, all Business Board and sub-committee and sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

3.3.51 All new members of the Business Board receive a comprehensive induction to ensure they have the knowledge and understanding needed to effectively fulfil their duties in the role. To bring an element of consistency to the induction, a presentation based training tool has been introduced to all members, and to which new Business Board members can refer and at their convenience. The Business Board induction covers the following elements:

- CPCA Assurance Framework
- Governance & Constitution
- Nolan Principles – member roles and responsibilities
- Business Board Landscape - purpose and key tasks
- Annual Performance Review – Business Board effectiveness
- Strategy & Delivery
- Succession Planning & Future Funding Strategy

Wider Business and Public Engagement

3.3.52 The Combined Authority and Business Board recognise that the private sector members cannot represent the views of all business in the Cambridgeshire and Peterborough area. Therefore, a variety of engagement mechanisms are utilised to ensure that the broader business community has the ability to influence strategy and policy development, our investment priorities and to be actively engaged in the delivery of some of our activities, particularly around supporting careers development with schools. This includes, through the business networks and groupings that officers of the executive engage with as part of their activity, as well as specific engagement sessions – such as business roundtables to inform strategy and policy development.

3.3.53 Strategy and policy documents are developed through engagement with partners and key stakeholders and are subject to consultation. Each consultation will vary depending on the topic but will meet all statutory requirements. However, drafts are formally considered in public at the Combined Authority Board with papers published in advance of the meeting.

3.3.54 Evidence of effective public engagement includes the work on the CPIER and Local Industrial Strategy referred to in section 2. A review of engagement activity and impact will be undertaken annually as part of the annual Delivery Plan from 2020. The annual Delivery Plan will be published on the website.

Secretariat Arrangements

3.3.55 In accordance with Government requirement, an independent secretariat and a designated Chief Officer were appointed to support the Business Board. The Chief Officer is supported by a Business Board S73 (BB S73) Chief Finance Officer and Monitoring Officer appointed separately to the statutory officers who support the Combined Authority Board.

Local Area Agreement

- 3.3.56 In accordance with Government requirements for mayoral areas there is a requirement for a Local Agreement between the Business Board and the Cambridgeshire and Peterborough Combined Authority and the Accountable Body setting out the responsibilities of the Chair, Board and Accountable Body. The Accountable Body agreement is embedded in the Business Board's terms of reference and constitution.

3.4 Decision Making for the Cambridgeshire and Peterborough Investment Funds

- 3.4.1 Cambridgeshire and Peterborough Combined Authority is its own Accountable Body for all funds received by Government and is the Accountable Body for the Business Board.
- 3.4.2 The Cambridgeshire and Peterborough Combined Authority Constitution sets out the basis of how decisions will be taken within our Combined Authority, in keeping with principles of democracy and transparency and with effective and efficient decision-making. The Constitution takes on board the changes relating to the Business Board, as a result of the national Local Enterprise Partnership review.
- 3.4.3 Investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local transport objectives and through formal LEP involvement. The Monitoring Officer reviews all proposed funding decision and their comments are included in all public or delegated power reports. The CPCA S73 Officer reviews all funding decisions recommended to the Combined Authority Board and their comments are included in all public or delegated power reports. The BB S73 Officer reviews and approves all funding decisions before recommendation to the Business Board, their comments are included in all public reports.

CPIER and the Mayor's growth ambition statement and Investment Planning

- 3.4.4 The Combined Authority Board provides the overall strategic direction for economic growth in Cambridgeshire and Peterborough, approving the CPIER and the Mayor's Growth Ambition Statement and associated thematic strategies and plans.
- 3.4.5 The Combined Authority Board sets out the investment priorities for Cambridgeshire and Peterborough through the Medium-Term Financial Plan and the Business Plan. This includes named prioritised projects which are allocated against either revenue or capital funds.

Decision process for Business Board and Combined Authority Board projects

- 3.4.6 For new programmes/projects, the detailed consideration of whether the programme/project represents value for money, has realistic delivery timescales and processes, and will deliver the outputs and outcomes in line with our strategic documents is undertaken through the development of a Project Initiation Document (PID) and Business Case.
- 3.4.7 A PID is used to identify the expected expenditure, project governance, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager.
- 3.4.8 The PID provides a first view of how, what and when the project will deliver against the Mayor's Growth Ambition Statement, the Local Industrial Strategy and the Business Plan.
- 3.4.9 Once approved, the project can then be developed into a Business Board or paper for approval at the Combined Authority Board meeting.

Decision process for Business Board

- 3.4.10 The Business Board will review the Business Case for Business Board funded projects and make recommendations to the Combined Authority Board, as Accountable Body, to approve the funding.
- 3.4.11 In order to ensure that the Business Board is able to progress its business in an efficient manner, the Business Board has an urgency decision making procedure which is set out in its constitution. Decisions and actions taken will be retrospectively reported to the next meeting of the Business Board
- 3.4.12 In addition to the delegations in the Combined Authority Constitution, the Business Board and Combined Authority Board has delegated limited authority to the Director of Business and Skills to approve small grants to SMEs between £2,000 and £20,000 subject to Section 73 Officer approval, and regular reporting to the Business Board;
- 3.4.13 Business cases approved at the Business Board and Combined Authority Board are published on the Combined Authority website, as part of the monthly Board papers.
- 3.4.14 Work from the HM Treasury on Green Book guidance has created a benchmark and guidance that has been built into Business Case templates and for when procuring Business Cases; all Business Cases must adhere to the 5-case model. This forms the evidential basis on which the need for intervention is based and will help ensure programmes and projects are identified based on need and opportunity.
- 3.4.15 Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting Business Cases available on request. The Officer Decision Notices are published on the Combined Authority website.

- 3.4.16 All reports to the Business Board and any committees, include the application for funding, appraisal of application, legal and finance expert' view and recommendations. The BB S73 Officer signs off all Business Board expenditure

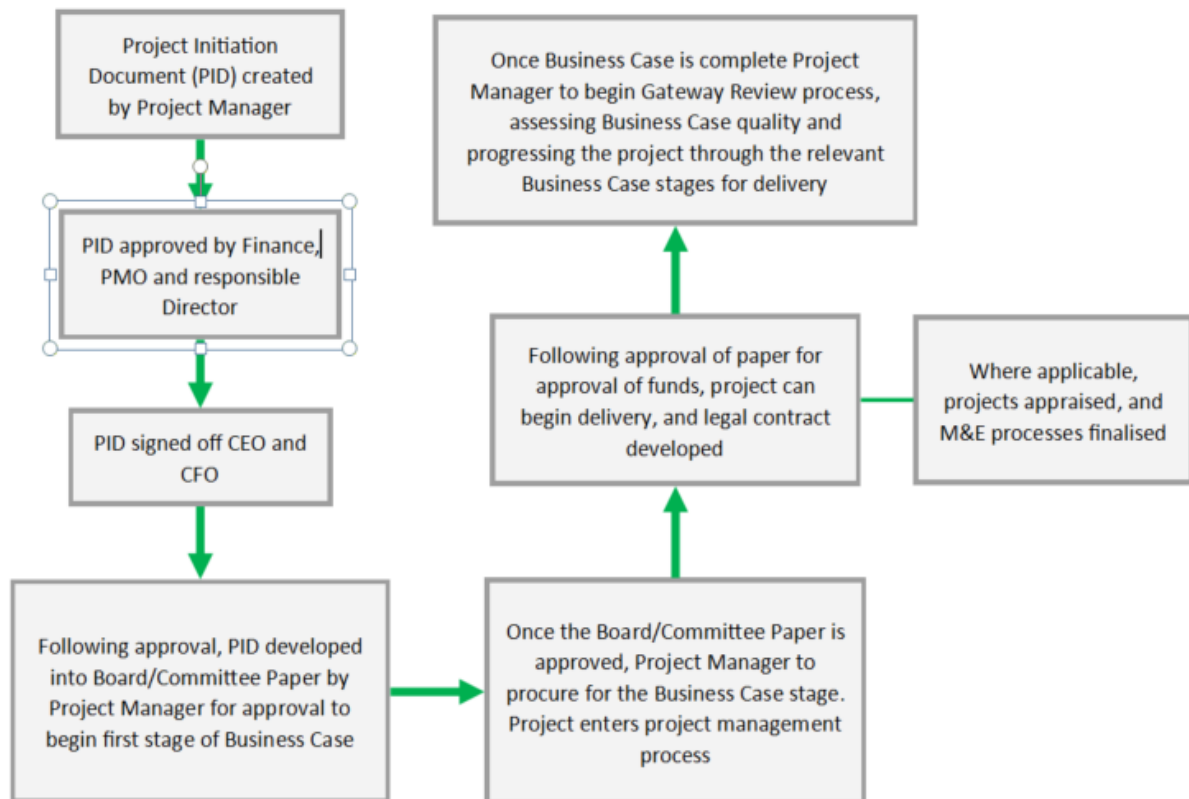
Summary of Scheme of Delegations for Business Board

The scheme of delegation specific to local enterprise funding is set out in the Business Board's constitution and is summarised in Appendix 2. The Combined Authority Constitution also applies to all Business Board and officer decisions.

Decision process for Combined Authority Board

- 3.4.17 The Combined Authority Board will approve the Business Cases for Combined Authority funded projects and will approve the Business Case recommended by the Business Board.
- 3.4.18 Business cases and appraisal documentation submitted to the Combined Authority Board will be published on the Combined Authority website with Board papers, subject to any exemptions applied as set out in the transparency rules within the Constitution.
- 3.4.19 Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting business cases available on request. The Officer Decision Notices are published on the Combined Authority website.
- 3.4.20 The decision-making process and governance arrangements are illustrated in the diagram below:

Decision Making Process



Decision process for new programmes/projects not in the Business Plan and not within a named budget allocation

- 3.4.21 New opportunities or challenges will arise and programmes/projects that are not currently in the Business Plan will need to be considered to address them. If these new programmes/projects are not accommodated within the current Medium- Term Financial Plan, they will need to be considered by the Combined Authority Board for entry to the Budget and Business Plan.
- 3.4.22 The Business Plan and Medium-Term Financial Plan are normally set annually but can also be refreshed within the year where there are extraordinary unforeseen circumstances.
- 3.4.23 New projects which are accepted would then proceed to follow the PID development and be taken to the Combined Authority Board for decision.

Role of the Cambridgeshire and Peterborough Corporate Management Team

- 3.4.24 The Cambridgeshire and Peterborough Corporate Management Team is made up of members of the Combined Authority's senior officers: Chief Executives, Section 73 Officer, and Directors. The Management Team meets regularly and has an oversight role of the work of the Combined Authority.

3.5 Decision Making for the Adult Education Budget

- 3.5.1 Investment decisions on the use of the Adult Education Budget will be made with full consideration to the statutory entitlements:
 - 3.5.1.1 English and Maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4, or higher, and/or.
 - 3.5.1.2 First full qualification at Level 2 for all, and/or.
 - 3.1.5.3 First full qualification at level 3 for individuals aged 19 to 23.
- 3.5.2 The Combined Authority submitted its Strategic Skills Plan to government in May 2018 as part of the readiness conditions requirements set by the Department for Education. Further iterations have been shared with the Department for Education and form a chapter in the new Skills Strategy 2019.
- 3.5.3 Local and national partners have been fully engaged throughout the development phase for the processes and priorities for the funding award and during the funding award phase. This has included providing regular communications via our website, hosting three strategic events for all local and national providers, and participating in provider network meetings that met regularly during 2018. The Provider Networks comprised local Further Education and local authority providers, the Education and Skills Funding

Agency, the Association of Colleges and Independent Training Providers.

- 3.5.4 The Combined Authority Board is the final decision-making body for funding awards. A grant commissioning process was launched on 1st December 2018 and closed in March 2019. Appraisals were carried out on the submitted delivery plans requesting funding by the Combined Authority officers. A moderation panel of internal senior managers consider recommendations and make final recommendations for approval. The Director of Business & Skills in consultation with the Portfolio Holder for Skills to approve funding awards.
- 3.5.5 **During the funding award process a web enabled portal has included the ability for all potential providers to submit questions. These have been developed into a Q+A section on the portal so that the same information is available to all potential providers.**

3.6 Statutory Committees

- 3.6.1 As a Mayoral Combined Authority, we are constitutionally required to have the following Committees within our Governance structures:

Overview & Scrutiny Committee: Reviews decisions made, to ensure they meet the needs of the people of Cambridgeshire and Peterborough and are made in line with our agreed policies; making recommendations where necessary. It has the power to “call in” and delay the implementation of decisions made by the Board. The membership of the Committee comprises 14 members, two nominated from each of the Constituent Authorities.

Members of the Committee appointed reflect the balance of political parties for the time among members of the Constituent Authorities collectively. It also has the power to scrutinise the Business Board.

- **Audit & Governance Committee:** Ensures we are spending public money properly and have the right systems in place to manage our finances correctly and meet our legal and regulatory responsibilities. The Committee also reviews the corporate risk register on a quarterly basis. The membership of the Committee is one member from each Constituent Authority. Members of the Committee appointed reflect the balance of political parties for the time among members of the Constituent Authorities collectively. The Committee will also oversee the audit and governance arrangements of the Business Board.

- 3.6.2 The terms of reference and membership of these Committees is detailed in the Combined Authority Constitution.
- 3.6.3 There are also three executive Committees of the Combined Authority: Skills, Transport and Infrastructure, and Housing and Communities. These executive Committees take decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

3.7 Role of the Statutory Officers

3.7.1 The Combined Authority appoints four Statutory Officers who each have a formal role of discharging the duties and obligations on its behalf. The roles are detailed in the Combined Authority Constitution but briefly comprise of:

- **Head of Paid Service:** The Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and act as the principal advisor to the Business Board.
- **Section 73 Officer:** The Chief Finance Officer fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds for which the Cambridgeshire and Peterborough Combined Authority are responsible. As set out in paragraph 3.3.54, in order to provide an independent secretariat to the Business Board the Combined Authority's Section 73 Officer delegates responsibilities in relation to the Business Board to their deputy, referred to as the Business Board Section 73 in this document.
- **Monitoring Officer:** The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the legal duties of the Combined Authority and Business Board.
- **Scrutiny Officer:** To promote the role of and provide support to the Overview and Scrutiny Committee.

3.7.2 In addition to these statutory roles the Combined Authority has nominated officers to ensure that we meet our obligations under the Data Protection Act 2018 and information governance. These are:

- **Senior Information Risk Officer (SIRO)** - The Monitoring Officer is the SIRO for Information Governance. The SIRO is responsible for the Strategy, acts as an advocate for good practice and is required to provide a statement of assurance as part of the Combined Authority's Annual Governance Statement.
- **Data Protection Officer** – The Deputy Monitoring Officer is the Data Protection Officer responsible for providing advice and guidance on the Data Protection Act 2018.

4. Accountability and Transparent - Supporting Policies and Procedures

4.1 Working Arrangements, Meeting Frequency and Transparency

- 4.1.1 The Combined Authority is subject to a robust transparency and local engagement regime. The Combined Authority's Constitution includes how agendas, minutes and papers will be made available to the public and when.
- 4.1.2 The Combined Authority Board:
- Is subject to the Transparency Code applied to local authorities.
 - Will ensure all meetings of the Combined Authority Board and other statutory committees are open to the public and appropriately accessible.
 - Will make sure all meeting agendas, papers (when not exempt or confidential as set out in the transparency rules within the Constitution), and minutes are published on the Combined Authority website, within the minimum statutory timescales – an agenda will be published five clear working days before the meeting. Decisions made at a meeting will be published 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. Draft minutes will be published within 12 clear working days of the meeting taking place and final minutes within two clear days of approval where changes are made.
 - All Decision Notices will be published in line with statutory requirements and any key decisions are subject to call in.
 - Will make clear the approach to making investment decisions in the Combined Authority Constitution.
 - Will publish (online) all funding decisions, including funding levels through Business Board and Combined Authority agendas and minutes and through the Mayoral and Officer Decision Notice register where decisions are taken under delegated powers.
 - Growth fund updates are submitted to the Business Board at each meeting. The Combined Authority has a performance management system which includes quarterly reports to the Combined Authority Board on delivery of key priority projects in the Business Plan by exception and monthly budget monitoring updates.
 - As the accountable body for the Business Board funding, the Combined Authority Board will review and ratify funding decisions made by the Business Board for legality and value for money and will hold a record of all relevant documentation relating to government funding allocated

to the area.

- 4.1.3 For ease of access the Combined Authority website has a transparency section and a separate meetings section which contain all information on the Combined Authority governance arrangements, agendas and papers and the Combined Authority Board Forward Plan.
- 4.1.4 The Combined Authority Board meets bi-monthly. The Combined Authority publishes a Forward Plan on the Combined Authority website, which is legally-required with a statement of all key decisions together with all non-key decisions we plan to take over the next four months. Confirmed items are published 28 clear days in advance of a decision being made.
- 4.1.5 In addition to the Combined Authority Board, the Business Board meets bi-monthly. The Business Board shall have at least one meeting a year that will be open to the public to ensure the communities that they represent can understand and influence the economic plans for the area.
- 4.1.6 No business may be transacted at a meeting of the Business Board unless there is a quorum. The quorum requires a majority of the total number of Members of the Board to be present which should include the majority of private sector members and at least one public sector member.
- 4.1.7 All other meetings of the Business Board shall not be open to the public unless determined otherwise by the Chair. This enables commercially confidential items to be discussed and for open and frank exchanges of information and views to be expressed that might not otherwise be expressed in an open forum. This forms an important element within the Combined Authority governance arrangements.
- 4.1.8 Agendas and reports will be published 5 clear days prior to the meeting and minutes of these meetings will be published on the website within 12 clear working days of the meeting and the agreed minutes will be published within 2 clear working days after approval at the subsequent meeting.
- 4.1.9 Information regarding activity being undertaken by the Combined Authority is available on the website. This includes the publication of key documents such as the CPIER and the Mayor's Growth Ambition Statement, the Cambridgeshire and Peterborough Business Plan, the Combined Authority Local Assurance Framework, as well as details of the regular programme of events to provide ongoing engagement with public and private partners across the Cambridgeshire and Peterborough area. Regular news updates on activity underway are also provided through dedicated pages on social media outlets including LinkedIn, Twitter and Facebook. Additionally, when investment decisions are taken, they are published through the use of press releases and social media.

4.2 Publication of Financial Information

- 4.2.1 The Combined Authority is subject to the same financial arrangements as a

Local Authority and is legally required to publish its annual accounts, external audit letter and annual governance statement by the end of July each year. The draft statement of accounts is signed by the CPCA S73 Officer and published (on the Cambridgeshire and Peterborough Combined Authority website) by 31st May. The final set of financial statements are signed by the CPCA S73 Officer and the Chair of the Audit and Governance Committee and published by the 31st July.

- 4.2.2 The Annual Governance Statement will be published in draft by 31st May, and the final version to be signed by the Mayor, the Business Board Chair and the Chief Executive and published by 31st July. The Audit and Governance Committee approves the statement of accounts and reviews the Annual Governance Statement prior to approval, in accordance with their terms of reference.
- 4.2.3 It is also used as part of the Annual Conversation each year, to supplement the information provided and discussed on governance arrangements.
- 4.2.4 All payments made on behalf of the Business Board are published in the monthly transparency report by Cambridgeshire and Peterborough Combined Authority.
- 4.2.5 All approvals for new funding are published and monitored. The quarterly return to Government on Growth Fund projects, spend and performance is reported to Business Board and published in the reports, as part of the Business Board agenda. These are uploaded on the Business Board section of the website to increase transparency.

4.3 Remuneration and Expenses

- 4.3.1 Allowances or expenses may be payable to the Mayor and any of the Business Board members, in accordance with a scheme approved from time to time by the Cambridgeshire and Peterborough Combined Authority Board upon the recommendations of an Independent Remuneration Panel.
- 4.3.2 The Combined Authority publishes the following information on its website:
 - Confirmation of the allowance payable to the Mayor and Business Board members.
 - Confirmation of any allowances and expenses paid to the Mayor, Business Board Members and independent Chairs of Committees or Panels (published annually).
 - Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over £50,000, in bands.
- 4.3.3 Any scheme of allowances approved for Business Board members and payments made will also be published.

4.4 Freedom of Information

- 4.4.1 The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. As Accountable Body for the Business Board, the Combined Authority will also fulfil these functions on behalf of the Business Board. The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation. As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary. A publication scheme is on the website and answers to previous requests are also published on the website.

4.5 Conflicts of Interest

- 4.5.1 The Combined Authority has a Code of Conduct which applies to all members of the Combined Authority, the Business Board, all committee members and the officers who form part of any decision-making body e.g. the Chief Executive. The Code of Conduct requires all those identified to avoid any conflicts of interest.
- 4.5.2 Each member of the Combined Authority is also required to complete a written declaration of interest for the purposes of their organisations and their individual personal interests covering a broad range of activities/ownership. Individual declarations of interest forms are completed annually following members' appointment at the Combined Authority annual meeting. Declarations of interest are requested at the start of each meeting and declared and recorded within the minutes. The registers of interests are updated, as appropriate, following each Combined Authority meeting.

4.6 Gifts and Hospitality

- 4.6.1. Any gifts and hospitality received by members and officers will be declared under the relevant members name and any declarations declared by members will be published on the website. The register of gifts and hospitality declared by Business Board members is published under the governance page of the Business Board section of the website. All offers of gifts and hospitality of £25.00 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and by no later than 28 days from the date of the offer) in a register held by the Combined Authority. A six monthly reminder will be sent to all members and officers. The Combined Authority also has a protocol on Gifts and Hospitality which applies to all members.

4.7 Complaints and Whistleblowing

- 4.7.1 If it is alleged that the Combined Authority is (a) acting in breach of the law, (b) failing to adhere to its framework, or (c) failing to safeguard public funds, complaints (from stakeholders, members of the public or internal whistleblowers) should be handled under the complaints policy.
- 4.7.2 The Business Board and the Combined Authority have adopted a confidential complaints procedure and whistleblowing procedure, which are both published on its website. Any complaints will be dealt with in accordance with its approved complaints process.
- 4.7.3 Where the Combined Authority cannot resolve the issue locally to the complainant's satisfaction, and the matter relates to the Cambridgeshire and Peterborough's Single Pot funding, the issue may be passed to the Ministry of Housing, Communities and Local Government (MHCLG) or other relevant departments, such as the Department for Transport (DfT), as appropriate to the complaint in question. If the complainant is not satisfied with the response, they can raise it with the Local Government Ombudsman.

4.8 Diversity Statement

- 4.8.1 As detailed previously the Combined Authority is fully committed to diversity and equality. The Business Board has a published Diversity Statement which explains how it looks to ensure diverse representation available on the Business Board website.

4.9 Government Branding

- 4.9.1 The Combined Authority is committed to meeting Government branding guidelines for projects in its Local Assurance Framework. This includes the branding guidance issued to LEPs for the Local Growth Fund. The correct branding and wording is used on the Business Board and subsidiary websites. Guidance will be produced for signage, social media, press notices and other marketing materials for every Government funded project.
- 4.9.2 A summary of the Governance framework and checklist is set out in Appendix 3.

5. Robust Decision Making

5.1 Principles

- This section details the processes and procedures that are in place to ensure we make robust investment decisions with funds devolved to the Combined Authority. These are in addition to those identified within the Accountability, Openness and Transparency sections above. The processes and procedures will:
- Achieve value for money in spending public funds through ensuring that all projects contribute to the objectives of the Combined Authority via adherence to the Green Book principles, specifically -
 - Unless fulfilling a statutory requirement, all business cases must demonstrate a strong fit with the Combined Authority's strategic objectives as set out in the Devolution Deal, Growth Ambition Statement, and evidenced in the CPIER.
 - Where there are relevant strategies approved by the Combined Authority the case must also demonstrate alignment to these. (e.g. Local Industrial Strategy, Local Transport Plan, Skills Strategy, Non-Statutory Spatial Framework)
 - All business cases must clearly set out the key objectives of the project, how these contribute to the achievement of the Combined Authority's strategic objectives, as well as how these will be delivered and measured. Where a project is part of a programme the case must also set out how it fits in to that programme.
- At the Outline Business Case and Full Business Case stages, Benefit Cost Ratios (BCRs) will be calculated for the options being considered, including the do-minimum option, and the options will be presented alongside any unmonetisable benefits so that decision makers can see the additional costs of these benefits, and make an informed decision as to whether the cost is worth paying.
- Ensure an appropriate separation between project development and project appraisal, with Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m by our contracted business case assurance contractor. Transport schemes below £5m will be assessed and signed off independently of the scheme promoter by the Chief Finance Officer with support from an experienced transport modeller, where schemes are below £5m at Full Business Case (FBC) and are of significant complexity or importance an independent assessment may be requested by the Chief Finance Officer from our contracted independent assessment supplier prior to sign off as previously stated.
- Appraise projects in a way which is consistent with the Green Book 'five cases' model and proportionate to the funding ask in terms of processes required.
- Ensure that the money spent results in delivery of outputs and outcomes in a timely fashion, and in accordance with the conditions placed on each investment, and by actively managing the investment to respond to changing circumstances (for example, scheme slippage, scheme alteration, cost increases etc).
- Implement effective evaluation to demonstrate where programmes and projects have achieved their stated aims and using feedback appropriately to refine the priorities and the decision-making process.
- Ensure that the use of resources is subject to the usual local authority checks and balances as well as normal local government audit, accounting and scrutiny requirements.

5.2 Separation of Development and Appraisal Functions

- 5.2.1 The Combined Authority ensures all funding decisions are based on impartial advice. Project Initiation Documents require approval by the CPCA S73 Officer and Chief Executive while Business Cases created by project managers require approval from Combined Authority Board before commencing to project delivery.

5.3 Expressions of Interest/Open Calls

- 5.3.1 In relation to the Local Growth Fund, expressions of interest are received for potential funding under the Growth Prospectus, which is published on the Combined Authority website. The **initial** appraisals **from** for funding calls will be appraised by an internal panel that evaluates expressions of interest, with inputs from the appropriate policy lead, legal, procurement and financial officers. When **full** applications are received, external appraisers will carry out detailed appraisals and, for projects over £500k, the project sponsor must present to an Entrepreneurs Assessment Panel and be scored which counts towards the overall assessment of projects upon which the Business Board considers projects for award of funding.

5.4 Project Initiation Documents (PIDs)

- 5.4.1 PIDs are required for all new programmes and projects and are used to identify the expected expenditure, outputs, governance and outcomes of project delivery.
- 5.4.2 Once approved by the relevant members of the Senior Management Team (Responsible Director, Section 73 Officer and Chief Executive Officer), the delivery of the project concept can proceed.
- 5.4.3 A PID is used to identify the expected expenditure, project governance, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager.
- 5.4.4 The PID provides a first view of how, what and when the project will deliver against the Mayor's Growth Ambition Statement, the Local Industrial Strategy and the Business Plan. Detail such as the following will be included:
- The identified Project Manager.
 - Project description including objectives and overview.
 - Timescales (high level).
 - Project outputs and outcomes against the CPIER and the Mayor's growth ambition statement.
 - Cost of project (high level), and initial funding required.
- 5.4.5 It is also during the PID stage where it is recommended a RACI Chart is first developed. From this stage, the internal Project Manager must establish project roles and responsibilities. This

will enable a clear escalation process where risks, issues and changes are reported appropriately.

5.5 Business Cases

- 5.5.1 Business cases are designed to enable delivery and are important because projects will only deliver their intended outputs and benefits if they are properly scoped, planned and cost justified from the outset. These Business Cases will require detailed evidenced on the options, designs, delivery and outcomes of the project, along with strategic fit and value for money information to enable informed decision making.
- 5.5.2 Some categories of projects may have specific Business Case requirements, but most Business Cases are procured externally. The Combined Authority has adopted HM Treasury's Five Case Model, and business cases need to be prepared according to the following elements:

Five Cases	Detail
Strategic Case	The strategic case sets out the rationale for the proposal; it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.
Economic Case	The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.
Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified.

- 5.4.3 Reputational due diligence assessment will also be carried out to enable the Combined Authority to gain a comprehensive assessment of possible reputational risk.
- 5.4.4 As part of the financial case, the source of funding will be determined (as part of the review of business cases prior to submission to the Combined Authority or Business Board) and the CPCA S73 Officer (or BB S73 Officer where funding is from within the funds the Combined Authority holds as accountable body to the Business Board) will review the financial case to ensure that, where funding is required from internal Combined Authority sources, it is available and affordable within the Combined Authority's overall resources. The purpose of this is to ensure that the funding requirements of the component elements of the Single Pot

are being met, and to enable the effects and outcomes of the component elements of funding within the Single Pot to be tracked.

- 5.4.5 Appraisals will be proportionate to either the estimated scale of budget and/or the level of innovation/risk associated with the programme and in line with established guidance, where appropriate, as set out by HM Government, including:
- HM Treasury Green Book.
 - MHCLG Appraisal Guide.
 - HM Treasury Magenta Book.
- 5.4.6 Where a conflict of interest exists, full independent due diligence will be sought. Additionally, the Combined Authority will appoint an independent organisation, through appropriate procurement, to undertake external due diligence when required. The independent organisation works directly with the project applicant to undertake due diligence which then follows the decision-making process.
- 5.4.7 In cases where the investment is to match central government funding, and that government department has undertaken due diligence, the Combined Authority would not need to undertake its own due diligence.
- 5.4.8 The Combined Authority will include reputational checks on organisations (and their group structure including parent organisations), when considering making loans and grants.
- 5.4.9 The Combined Authority's 10-point guide on Project Management provides detail on this decision-making process.

5.6 Relationship with Project Managers – Development to Decision

- 5.6.1 Throughout the development of PIDs and Business Cases through the appraisal process, the Combined Authority will keep in regular contact with external project managers.
- 5.6.2 An internally named project manager will be assigned to each programme/project where the Combined Authority are not the delivery body. The internal project manager will establish close working relationships with external contacts.

5.7 Ensuring Value for Money

- 5.7.1 As an investor of public funds, the Combined Authority has a responsibility to ensure that its decisions deliver best value for the taxpayer, and therefore all investment opportunities and Business Cases must include an assessment of Value for Money. The Assurance Framework has been developed in line with HM Treasury Green and Magenta Book Guidelines, which require project managers to build in Value for Money processes throughout the approval stages. In addition, the Combined Authority requires all Business Cases be developed in line with HM Treasury's Five Case Model.
- 5.7.2 The delivery, and costs, of outputs must be quantified within all applications for funding. Where there are clear guidelines set out by Government for assessing Value for Money these will be taken into account; for example, for all Transport and Infrastructure schemes, the use of

the benefit cost ratio (BRC) indicator is implemented in line with DfT TAG guidance.

5.7.3 The Director responsible for project delivery should document they are satisfied with Value for Money requirements. The Section 73 Chief Finance Officer is also required to sign off Value for Money Statements.

5.7.4 The key objective of the Assurance Framework is to support the Combined Authority to make judgements about the value for money of potential investments and to accept or reject investments accordingly. However, it is just one of a range of complementary strategic guidance documents developed by the Combined Authority to inform decision making. The following table sets out the relevant assessments for all complementary strategic guidance:

Document Name	Function	Date Published
CPIER and the Mayor's Growth Ambition Statement 2016-2026. The Industrial Strategy for Cambridgeshire and Peterborough	<ul style="list-style-type: none"> Key strategy document for the region. Sets high level targets (jobs and GVA) for the Combined Authority and develops the rationale for intervention across the region (six themes and seven priority sectors) 	November 2018
Local Industrial Strategy	<ul style="list-style-type: none"> With a particular focus on productivity the Local Industrial Strategy articulates how the region and its priority industries will contribute to the successful delivery of the UK Industrial Strategy and the key interventions necessary to enable productivity growth in Cambridgeshire and Peterborough. 	May 2019
Skills Strategy	<ul style="list-style-type: none"> The devolution of some of the skills functions alongside the Adult Education Budget to the CPCA frames the impetus for the Skills Strategy. With a holistic approach being taken to increasing productivity and to growing the social and economic well-being of the local communities, the Skills Strategy and high-level delivery plan have been aligned to the Local Industrial Strategy and the Cambridgeshire and Peterborough Independent Economic Review (CPIER) and its recommendations. 	June 2019 (update planned for June 2021)
Housing Strategy	<ul style="list-style-type: none"> Sets out a new, ambitious and flexible approach to accelerating building rates and making homes more affordable in order to help tackle the severe shortage of housing of all types across Cambridgeshire and Peterborough. 	September 2018
Local Transport Plan	<ul style="list-style-type: none"> Sets out the vision, goals and objectives that define how transport will support the Combined Authority's Growth Ambition, and our approach to meeting these objectives. 	February 2020
Non-Statutory Spatial Framework	<ul style="list-style-type: none"> Sets out strategic planning principles to shape growth to make the economy more inclusive and sustainable, while strengthening communities and enhancing quality of life. 	Phase 1 2018, Phase 2 ongoing.

The Business Plan	<ul style="list-style-type: none"> Sets output targets both in terms of spend 	Updated annually
Monitoring and Evaluation Plan	<ul style="list-style-type: none"> Provides for each theme a capital and revenue logic model including key market failures to be addressed, and a range of indicative activities, outputs, outcomes and impacts, tied back to the achievement of the key performance indicators specified in the Local Industrial Strategy. 	Updated annually

5.8 Value for Money for Transport Schemes

5.8.1 For transport infrastructure schemes, the Cambridgeshire & Peterborough Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.

5.8.2 Furthermore, the Cambridgeshire & Peterborough Combined Authority will ensure value for money and transparency of transport scheme through the following:

- Transport Project Business case assessments [Strategic Outline Business Cases (SOBC), Outline Business Cases (OBC) and Full Business Cases (FBC)] will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). We will also consider alternative planning assumptions, **which are in line with our devolution ambition**, as sensitivity tests in coming to a decision about whether to approve a scheme.
- The appraisal and modelling will initially be scrutinised by our external Highways Authority delivery partner planning lead to ensure it has been developed in accordance with the TAG. Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m will be carried out by our contracted business case assurance contractor. Single Pot funded transport projects with a value below £5m will be considered on a case-by-case basis and in cases of strategic impact or project complexity, an independent value for money statement will be undertaken on a proportionate and appropriate basis.
- The Combined Authority will make proportionate and appropriate assessments of all Business Cases to ensure that all schemes achieve value for money by demonstrating a strong strategic fit and measurable, achievable and relevant, objectives.
The Combined Authority will endeavour to always maximise value for money with public funds. Where the rationale for this departs from a simple case of selecting the highest BCR of the shortlisted options the unmonetisable benefits, or unquantifiable uncertainties will be set out to justify this.
- The Combined Authority acknowledges that there may be cases when the best value way of delivering a project in order to achieve its strategic objectives may have a BCR which is not as strong as the BCR of alternatives which do not align as

clearly with the Authority's strategic objectives set out in key policies including the Local Transport Plan. Despite this, it is then for the Combined Authority Board to make a judgement on whether the achievement of those strategic objectives is worth the cost to the Combined Authority.

- The Combined Authority's Chief Finance Officer will sign off all Value for Money statements undertaken whether in the form of a business case or an independent assessment. Decisions will be taken appropriate to scheme phase and greater scrutiny and emphasis on VfM will be undertaken as schemes progress through the SOBC, OBC and FBC process, with greater scrutiny of FBC VfM.
- **Business case publication is notified up to 3 months in advance within the Forward Plan, published on the Combined Authority website and then published as part of submission for decision approval at the Business Board and subsequent Combined Authority Board, before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders are made available to relevant members or boards of either Business or Combined Authority Boards when decisions are being taken. The Forward Plan is formally approved at each monthly meeting of the Combined Authority Board and Business Board.**

5.9 Project Approval – Funding Agreement

- 5.9.1 For projects being delivered by an external organisation, funding agreements or formal legal contracts will need to be put in place before delivery commences. These agreements are important in setting out project monitoring and evaluation requirements, claims/invoice profile and setting out main tasks and responsibilities, including key conditions of the funding. This information is also recorded throughout the project lifecycle through a RACI chart. Agreements/contracts also set out the recovery and/or clawback arrangements in the event of non-compliance, mis-representation, underperformance, mismanagement and/or a failure to deliver an outcome. Any variations to these funding agreements/contracts must be signed off and approved by the Combined Authority.
- 5.9.2 All Growth Fund schemes, and any other funds delegated to the Business Board, such as Getting Building Fund, will have a funding agreement that sets out the outputs that are required and the schedule of payments that are to be paid. These are examined at each point in the claim.
- 5.9.3 Following approval of a Business Case it may be necessary to complete a range of statutory processes to ensure the project is ready to continue to the next stage. For example, planning permission or a Compulsory Purchase Order. National and local S106 requirements will be followed when gaining planning permission. It may also be necessary to satisfy a number of conditions agreed as part of the Business Case appraisal. Due diligence of such processes/conditions will then be carried out as required prior to the Combined Authority issuing a formal legal contract.

6. DELIVERY PHASE

6.1 Release of Funding, Cost Control and Contract Management

- 6.1.1 Once a formal funding agreement/contract is in place the programme/project enters the delivery phase.
- 6.1.2 The Combined Authority's Section 73 Officer must certify that funding can be released under the appropriate conditions.
- 6.1.3 Funding claims submitted to the Combined Authority are checked against the approved project baseline information, which is included within the original funding agreement/contract. Payments will be released quarterly in arrears unless otherwise agreed.
- 6.1.4 A mechanism for 'claw-back' provision is to be included within the funding agreements/contract to ensure funding is spent only on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project manager and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority.

6.2 Performance Reporting

- 6.2.1 A monthly highlight report cycle has been created and embedded across the organisation. Projects which fall under the Combined Authority Board are required to have monthly reports completed, updating on budget spend and performance against key milestones and outputs/outcomes. There is also a monthly highlight report which monitors spend against Local Growth Funding and Getting Building Funding.
- 6.2.2 Highlight reports also contain risk registers for each project, where project managers track and monitor key risks (and assign a named individual of appropriate seniority against each).
- 6.2.3 Using information from these monthly highlight reports, a monthly dashboard report is created, pulling together the key information from all projects across the Combined Authority Directorates. This information is shared with Members of the Corporate Management Team once a month.
- 6.2.4 Once a quarter, a Performance Report is taken to the Combined Authority Board meeting and provides detail on how the Combined Authority is performing against the following key metrics and targets within the Devolution Deal:
 - Prosperity (measured by Gross Value Added or GVA)
 - Housing
 - Jobs
- 6.2.5 The Performance Report also details the RAG status of key projects, taken from the monthly highlight reports process.
- 6.2.6 In addition to this performance report, an exception report is created from the amber and red rated projects and shared with Combined Authority Board Members.

- 6.2.7 Project Managers are also required to complete monthly finance reports for each of their projects, which provides a detailed overview of the year-to-date actual spend, budget and a full year forecast. This links with the highlight report process, to ensure an accurate picture of project delivery is captured. The finance reports enable effective forward planning of expenditure, with future year budgets included which are discussed between Project Managers and Finance Managers and fed into the Budget Monitoring Reports which are a standing item at the Combined Authority Board. This report also allows costs to be split between spend to date and future spend forecasts, allowing baselining of costs.
- 6.2.8 Strategic funds investment update reports that cover Local Growth fund and Getting Building Fund are also submitted to every meeting of the Business Board and will be published on the Business Board section of the website.
- 6.2.9 All funding agreements/contracts with external bodies will include reporting guidelines as specified in the Monitoring and Evaluation Framework.

6.3 Risk Management

- 6.3.1 The Combined Authority has developed a risk management approach for corporate, portfolio, programme and project level as set out in the Risk Management Strategy published on the Combined Authority website. Within our strategy it manages risk identification, mitigation, escalation and reporting templates guidance.
- 6.3.2 It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests.
- 6.3.3 The corporate risk register which incorporates the risks will be reviewed monthly by the Corporate Management Team and will be considered by the Audit and Governance Committee quarterly. The Combined Authority's risk strategy includes a hierarchy of risk registers: Project, Programme, Portfolio and Corporate, risks can be escalated up through these levels where required.
- 6.3.4 Senior Officers of the Combined Authority (Chief Executive and CPCA S73 Officer) are responsible for the identification and management of risk.
- 6.3.5 At the project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight reports. Where applicable, external partners are also encouraged the Combined Authority's risk register template.

6.4 Change requests and funding clawback

- 6.4.1 All early warnings and project change requests must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded within the performance highlight reports.
- 6.4.2 All project changes must receive written approval from the named Director responsible for the project, or the CPCA Project Board where one exists. The Director for Business and Skills has delegated authority to SROs, within this directorate. This is

found within Appendix 1 of the Relationship between Risk and Change Control document.

- 6.4.3 When a change request requires an increase in funds outside of the MTFP allocation, this change request will need to follow the appropriate Committee and or Board approval.
- 6.4.4 Approval will be required for:
- RAG rating change in the Highlight Report
 - Changes of project scope
 - Changes to timescales
 - Amendment to budget (within the MTFP allocation)
 - Variations to outputs delivered
 - Withdrawal of a project
- 6.4.5 Directors are responsible for agreeing change requests within delegation and promoting change requests outside delegation. Where there is a project board on which the Director sits, the Project Board may also agree change requests within its delegations.
- 6.4.6 In relation to funding controlled by the Business Board, any change requests should be taken to the Business Board for recommendation to Combined Authority Board.
- 6.4.7 Business Board recommendation will be required for:
- Changes of project scope (from original awarded scope)
 - Changes to timescales (beyond a month to milestones)
 - Amendment to budget (outside of the original funding award)
 - Variations to outputs delivered (as agreed in Grant Funding Agreement)
 - Withdrawal of a project
- 6.4.8 Project change requests that do not constitute a material change can be approved by the Chief Officer to the Business Board.
- 6.4.9 The tolerance thresholds that constitute a material change are defined in relation to spend targets, variance control and change control within individual projects and programmes. But generally, a 10% variance will be permitted in any one reporting period. More than 10% variance on spend and delivery targets will trigger a review by the Business Board. In respect of timeline of project milestones, a variation of up to one month is permissible if agreed by the Chief Officer to the Business Board, in writing but beyond a month is considered a material change requiring Business Board recommendation for approval.
- 6.4.10 Funding clawback and recovery processes for under-performing projects is clearly addressed in the funding agreement/contract.
- 6.4.11 The Business Board is responsible for decisions around withholding, suspending and/or paying back of awarded funds. In some instances, as a result of project review and monitoring it will be determined that a project is not going to spend its

Business Board funding allocation or there will be an issue with eligibility or relevance of spend against contract which requires a claw back of funds.

- 6.4.12 Funding agreements or contracts relating to financial awards granted through programmes offered by the Business Board, determine the circumstances under which funds might be withheld, suspended and/or clawed back. Project applicants agree to monitor the delivery of their projects, reporting back regularly, to ensure that the outputs and outcomes are being met and that the terms of the Agreement are complied with.
- 6.4.13 The Business Board will undertake interim or post completion checks to confirm that the grant has been used as per the approved purposes and will investigate any projects in the event of non-compliance, mis-representation, underperformance, mismanagement and/or a failure to deliver an output and/or outcome.
- 6.4.14 On request the applicant must provide the Business Board with such information, explanations and documents as may reasonably be required in order to facilitate monitoring and/or to establish the terms of their Agreement have been complied with.
- 6.4.15 No financial claim shall be paid unless and until the Business Board and/or the Combined Authority are satisfied that such payment is due under the terms of the funding agreement. An applicant may be required to pay back all or part of the funding in the following circumstances;
- Cases involving breach of UK Subsidy law
 - Failure to comply with the agreement or contract
 - Cases involving fraud, prohibitive acts, illegal or unlawful activity or actions, dishonesty and/or negligence
 - Misleading the Business Board/Combined Authority
 - Undertaking activity which could affect reputation of the Business Board or Combined Authority
 - Failure to make satisfactory progress, or failing to achieve an output and/or outcome
 - Cases where the grant was used for purposes other than those intended (such as ineligible expenditure).
- 6.4.16 There may be instances where recovery or clawback is required against assets, The Business Board/Combined Authority may seek to recover funding against assets by legal process but in the first instance preferably through cooperation of the applicant/grant beneficiary on disposal assets to achieve repatriation of all or part of the original grant value. The Combined Authority reserves the right to pursue legal claims against grant applicants and grant beneficiaries under the terms of the grant agreement/contract and this includes any assets.
- 6.4.17 The Combined Authority in its capacity as the Accountable Body will:
- ensure that all decisions regarding public funds are made on merit having taken into account all the relevant information available at the time.

- compliance to EU state aid and UK subsidy rules in all cases where this may apply and to take legal advice where necessary, ensuring that all decisions are recorded and reported
- ensure that all funding agreements reflect the conditions that need to be placed on any grant and that these conditions are upheld
- ensure that recovery and/or clawback is enforced where non-compliance, mis-representation, underperformance or mismanagement or a failure to deliver has occurred and where this is appropriate but only when other options have been exhausted by the Business Board and Officers to enable delivery and the Board have agreed this cause of action, following detailed reports and legal advice
- to retain copies of all related documentation for Local Growth Funding and any other government funding delegated to the Business Board and to ensure that the Business Board is retaining the complete record
- ensure that this Assurance Framework and the National Assurance Framework as approved by Government is adhered to in relation to any Recovery or Clawback.
- maintain the official record of recovery and/or clawback proceedings and holding all related documents.
- review that the Business Board's decisions are lawful and that suitable legal advice has been obtained by the Business Board or Officers, also that the correct processes have been followed
- At its discretion undertake any of the clawback/recovery actions as outlined instead of the Business Board

6.5 Monitoring & Evaluation

- 6.5.1 The Combined Authority's Monitoring and Evaluation Framework sets out when and how programmes and projects are reported.
- 6.5.2 Project managers are responsible for identifying, at the initiation stage, what their project is to deliver. All projects must have a logic model created to detail this and more information can be found in the Monitoring & Evaluation Framework.
- 6.5.3 Evaluation plans are created when the project is nearing the construction/delivery phase and will be proportionate and in line with the latest government department guidance where relevant. For example, all transport schemes (over £5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes.
- 6.5.4 The Combined Authority will identify the projects that will be subject to a more detailed evaluation. The level of evaluation will depend on the following questions:
 - A) Is the project funded through Investment funding (in the CPCAs' case the core agreement with central government to devolve £20m per year over 30 years) or

Transforming Cities Funding. If so, it is subject to the agreed independent national evaluation framework.

- B) Is the project funded through other streams and identified as being 'key' in terms of the expected benefits to be achieved. If so, it is subject to a full independent evaluation commissioned by the CPCA.
- C) Is the project identified as one where significant learning is available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered 'pilots'. If so evaluation work in this case would be either be commissioned independently or carried out locally within the public sector.
- D) Other projects not included above would be subject to minimal 'self-evaluation' based on submitted business cases. The funding partner may be responsible for this.

7. Measuring Success – Realising the Benefits

7.1 The Importance of Monitoring and Evaluation

- 7.1.1 The Combined Authority and the Business Board (LEP) is committed to implementing effective monitoring and evaluation so that it is able to:
- **Provide local accountability to the public** by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
 - **Comply with external scrutiny requirements** i.e. to satisfy conditions of the Devolution Deal. Specifically, the Monitoring and Evaluation Framework will be used to demonstrate local progress and delivery to senior government officials and Ministers who are ultimately accountable to parliament for devolved funds.
 - **Understand the effectiveness of policies or investments** and to justify reinvestment or modify or seek alternative policy. The Monitoring and Evaluation Framework provides a feedback loop for the Authority and relevant stakeholders. This includes performance measurement on the impact of outcomes from specific funding programmes which the Combined Authority is the Accountable Body, for example Local Growth Funds.
 - **Develop an evidence base for input into future business cases** and for developing future funding submissions. The Monitoring and Evaluation Framework will collect, collate and analyse data which can be utilised for future work and especially in relation to economic impact of particular interventions creating ‘benchmarks’.
- 7.1.2 The Combined Authority Monitoring and Evaluation Framework was initially prepared in relation to the Combined Authority’s Devolution Deal monitoring and evaluation requirements. However, the approach set out in the Framework will be utilised for all sources of funding within the Cambridgeshire and Peterborough Business Plan, accepting that some government departments will have slightly different requirements which will be met. The Framework builds on the National Evaluation Framework for devolution funds, prepared by SQW and agreed with devolution areas and government.
- 7.1.3 The Business Board has also adopted this Monitoring and Evaluation framework, as the Governments published guidance requires the Business Board to reference their monitoring and evaluation arrangements as well. This includes for example specific plans using the framework to deliver monitoring and evaluation work for key Business Board programmes.
- 7.1.4 The overall responsibility for monitoring and evaluation (the Monitoring and Evaluation framework) and execution of the activity associated with it is held at director level at the Combined Authority, within the post of Strategy & Assurance Director Delivery and Strategy. The Combined Authority has agreed a contract with Cambridgeshire County Council (part of the wider Cambridgeshire Insight partnership) to provide an appropriate level of officer support on Monitoring and Evaluation, including local knowledge, expertise and supporting capacity. For Local Growth Fund programme it was agreed to utilise an additional contractor to undertake the evaluation work on the Local Growth Fund evaluation plan phase one.

- 7.1.5 The Combined Authority's approach uses the Magenta Book definition of monitoring and evaluation and makes use of the wider guidance within this document as complementary guidance to the HM Treasury Green Book.
- 7.1.6 The Combined Authority major projects will have logic models.
- 7.1.7 Lessons learnt from evaluations will be reported to the Business Board and Combined Authority Board as appropriate.

7.2 Programme and Project Monitoring

- 7.2.1 Funding agreement/contracts set out the programme or project spend and output profile together with the monitoring arrangements (financial, benefits and risk).
- 7.2.2 Monthly highlight reports are completed by project managers on all live projects. These reports are reviewed by members of the Corporate Management Team.
- 7.2.3 Project finances are reported as a standing item to relevant Executive Committees, and the Combined Authority Board, as part of the overall budget monitoring report.
- 7.2.4 Any changes or variances to the spend profiles or key milestones will need to be reported by the Project Manager and approved by the Combined Authority. On approval a variation letter to the Funding Agreement/contract will be issued.

7.3 Adult Education Budget Monitoring and Evaluation

- 7.3.1 The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process.
- 7.3.2 The Combined Authority's Monitoring and Evaluation Framework (detailed above) will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation has been undertaken and completed in January 2021. It meets the national requirements as set out in the National Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards.
- 7.3.3 The Combined Authority has agreed with the Education & Skills Funding Agency a formalised approach for Audit, Assurance, Fraud and Investigations for the first year of devolved delivery in 2020/21, known as Year 1. The Combined Authority will be responsible for auditing all training providers and colleges on the adult education budget funding stream in our region from April 2021, known as Year 2.

8. Appendix 1 - Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement

Advisory and challenge function:

The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) 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.

The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.

The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board ensuring that the business view is at the centre of regional decision making.

The role of the Business Board as stated within its terms of reference is:

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.

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 for LEPs 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 business, opinion formers and policy makers at a national and international level in promoting economic growth in the region.

(Business Board constitution)

By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.

Alignment of decision-making across a clear geography:

The Mayoral Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017 (with the first Mayoral election held in May 2017) to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. Its geographical boundary covers seven constituent local authorities in the Cambridgeshire and Peterborough area.

The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. The Business Board currently covers 15 local authorities;

As part of a full regional governance review, the Department for Business Enterprise and Industry are considering proposals to align the Business Board boundaries with the Cambridgeshire and Peterborough Combined Authority to ensure close working and delivery of economic growth projects across Cambridgeshire and Peterborough.

The integrated officer structure ensures that the relationship between the Combined Authority and Business Board is strong and effective. All governance policies and procedures are aligned ensuring transparency and open and accountable decision making.

Accountability:

The accountable body for all Local Enterprise Partnership funding is the Cambridgeshire and Peterborough Combined Authority. It provides the accountable body role for the both Business Board, the multi LEP Agri-Tech programme and the Greater South East Local Energy Hub and employs the officers that support them. The Combined Authority will ensure the effective use of public money and have responsibility for the proper administration of funding received and its expenditure, and must also review and approve the financial framework.

The Combined Authority Board approves funding decisions upon the recommendation of the Business Board except where delegations have been approved. The BB S73 Officer signs off all funding decisions taken by the Business Board prior to their presentation to the Business Board.

Efficiency and corporate identity:

The Combined Authority and Business Board operate under a single officer team. In order to ensure the independence of each Board, the senior management team has separate duties assigned to officers within that team. The senior management team is headed up by the joint Chief Executives.

The Combined Authority Board and Business Board are supported by a Chief Officer who is the Director for Business & Skills, and further supported by key statutory officers within the single team and through a dedicated S73 Officer (BB S73 Officer) and Monitoring Officer to provide an independent secretariat to each Board.

In addition to the above, the Boards also benefit from specialist support within the wider structure. This includes experienced Directors, Programmes Managers and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.

The Combined Authority and the Business Board have their own branding and identity recognising that some work of the Business Board is separate from and extends beyond the Combined Authority.

Overview and Scrutiny:

The role of the Cambridgeshire and Peterborough Combined Authority's Overview and Scrutiny Committee is primarily to scrutinise the work and decisions made by the Cambridgeshire and Peterborough Combined Authority. In so far as the business of the Business Board, the 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 this includes appropriate scrutiny of the Business Board decision making and achievements. To further strengthen internal scrutiny, an appointed member of Overview & Scrutiny Committee will shadow the work of the Business Board and this member will occupy the position of Overview & Scrutiny Lead Member. The Cambridgeshire and Peterborough Combined Authority's Audit and Governance Committee shall also oversee the audit and governance arrangements of the Business Board.

9. Appendix 2 – Summary of Scheme of Delegation for Business Board funding

The schemes of delegations are set out in the Business Board and Combined Authority Constitutions and summarised below:

Function	Approved by	Recommendation by	Supported by
Strategy			
CPIER and the Mayor's growth ambition statement and associated thematic strategies	Combined Authority Board		Chief Executive, Monitoring Officer and CPCA S73 Officer
Business Plan and the Medium-Term Financial Plan	Combined Authority Board	Overseen by Audit and Governance Committee	Chief Executive, Monitoring Officer and CPCA S73 Officer
Business Board to lead on development and deliver an evidence-based Local Industrial Strategy	Combined Authority Board	Business Board	Chief Executive, Director of Business and Skills, Monitoring Officer and BB S73 Officer
Digital Sector Strategy	Combined Authority Board	Business Board	Chief Executive, Directors, Monitoring Officer, CPCA S73 Officer and BB S73 Officer
OxCam Arc	Combined Authority Board	Business Board	Director of Business and Skills Monitoring Officer, CPCA S73 Officer and BB S73 Officer
Influencing the development of the other Combined Authority's strategies and policies	Combined Authority Board	Business Board	Chief Executive, Monitoring Officer, CPCA S73 Officer and BB S73 Officer

Function	Approved by	Recommendation by	Supported by
Allocation of LEP funding			
Budget approval	Combined Authority Board		Chief Executive, Monitoring Officer and CPCA S73 Officer
Sign off all funding decisions relating to funding allocated to the Business Board and sub-committee expenditure	BB S73 Officer		
Business Board funded project approvals	Combined Authority Board as accountable body	Business Board review the Business Case for Business Board funded projects and make Recommendation to the Combined Authority Board	BB S73 Officer signs off all Business Board proposals

Function	Approved by	Recommendation by	Supported by
Allocation of Small Grants between £2,000 and £20,000	Director of Business & Skill		Delegation subject to BB S73 Officer approval and report all approvals to the next schedule meeting of the Business Board. Decision recorded through the Officer Decision Notice process
Wisbech Access Strategy at key gateway stages to deliver the agreed Wisbech Access Strategy Package works	Head of Transport in consultation with the Chair of the Transport Committee CPCA S73 Officer		Decision recorded through the Officer Decision Notice process
Eastern Agri-Tech Programme (Multi-LEP Programme) to make decisions about applications for grant funding on behalf of both the CA/BB and NALP (New Anglia Local Enterprise Partnership).	Eastern Agri-Tech Programme Board		Agri-Tech Project Officer, Director of Business and Skills, Monitoring Officer and BB S73 Officer
Energy Hub funding (Multi-LEP Programme) (a) to assume the Rural Community Energy Fund management role (b) oversight of the Rural Community Energy Fund (RCEF) Funding Panel	Greater South East Energy Hub		Regional Energy Hub Manager, Director of Business and Skills, Monitoring Officer and CPCA S73 Officer
Makes decisions on Energy Hub grant applications.	Community Energy Fund (RCEF) Funding		Regional Energy Hub Manager, Director of Business and Skills,

Function	Approved by	Recommendation by	Supported by
	Panel		Monitoring Officer and CPCA S73 Officer
Strategic oversight and governance of the Enterprise Zones	Business Board		Director of Business and Skills, Monitoring Officer and BB S73 Officer
Programme delivery of Enterprise Zone projects	Enterprise Zone Alconbury Weald Programme Board and Cambridge Compass Enterprise Zone Project Boards BB S73 Officer Chief Executive	Director of Business and Skills	Individual Enterprise Zone Project Boards for each site, set-up at officer level and responsible for delivering the programmes and projects associated with the regeneration and development of each Enterprise Zone site.
Governance			
Accountable Body Business Board and the Greater South East Local Energy Hub	Combined Authority Board BB S73 Officer	Director of Business and Skills	
Assurance Framework	Joint approval by Combined Authority Board and Business Board	Monitoring Officer and CPCA S73 Officer	Director of Business and Skills responsible for the delivery of Business Board functions within the assurance framework
Submission of Growth Deal and Getting Building Fund monitoring reports to Government	Chief Executive BB S73 Officer	Business Board where Board meeting timetable allows	Director of Business and Skills
Annual Delivery Plan	Business Board		Director of Business and Skills responsible for the delivery of annual delivery plan within agreed budgets
Business Board Constitution and delegations to other bodies or Officers	Combined Authority Board	Business Board	Director of Business and Skills. Monitoring Officer and BB S73 Officer
Membership of the Business Board –	Board's appointments		Director of Business and Skills

Function	Approved by	Recommendation by	Supported by
Private Sector members	panel		
Diversity Statement	Business Board		Director of Business and Skills
Contract Standing orders and financial Regulations	Combined Authority Board		Monitoring Officer and CPCA S73 Officer
Urgent Decisions	Business Board urgency procedure and reported to next Meeting of Business Board		Director of Business and Skills Monitoring Officer and BB S73 Officer
Risk Management for Business Board Projects	Business Board		Director of Business and Skills Senior Information Risk Officer (SIRO) - The Monitoring Officer is the SIRO for Information Governance
Final accounts	CPCA S73 Officer and Audit and Governance Committee		
Annual Governance Statement	Mayor, the Business Board Chair and the Chief Executive	Audit and Governance Committee	

10. Appendix 3 – Governance Framework and Publication Checklist

	Chapter	Key Documents	Documents that must be published under National Framework
1	Assurance framework		
		National Assurance Framework	✓
		Cambridgeshire and Peterborough Assurance Framework	✓
2	Strategic Documents		
		Cambridgeshire and Peterborough Devolution Deal	✓
		Cambridgeshire and Peterborough Independent Economic Review	✓
		Local Industrial Strategy	✓
2.1		Mayor's growth ambition statement	✓
2.2		Cambridgeshire and Peterborough Business Plan 2019-2020	✓
2.3		Combined Authority Medium-Term Financial Plan 2019-2023	✓
3	Accountability and Transparent Decision making		
3.2	Combined Authority	Constitution of the Mayoral Combined Authority	✓
		Combined Authority Members	✓
3.3	Business Board	Constitution of the Business Board	✓
		Business Board Members	✓
		Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement (See Appendix 1)	✓
		Eastern Agri-Tech Growth	✓

		Initiative & Agri-Tech Programme Board	
		Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire	✓
		Enterprise Zones Alconbury Weald and Cambridge Compass Enterprise Zones	✓
		Greater South East Energy Hub & Energy Hub Board	✓
		RCEF guidance notes and Expression of Interest form (to be published)	✓
3.4			
		Officer Decision Notices	
3.6	Statutory Committees		
	Overview & Scrutiny Committee	Terms of reference (Constitution)	
	Audit & Governance Committee	Terms of reference (Constitution)	
		Audit Reports 2019 - Business Board - Internal Audit annual internal Audit letter	✓
3.7	Data Protection	Data Protection Policy	✓
4	Accountability and Transparency – Supporting Policies and Procedures		
		Combined Authority Agendas and minutes	✓
		Business Board Agendas and minutes	✓
		Annual report and delivery plan	✓
4.2	Financial information	Annual accounts, external audit letter and annual governance statement 2017/18	✓
		Quarterly return to BEIS on Growth Fund projects, spend and performance	✓
		Funding programme with description of the scheme, promoter and funding award	✓
4.3	Remuneration and Expenses	Interim Business Board Expenses Scheme	✓
		Allowances and Expenses paid 2018/19	✓
		Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over	

		£50,000, in bands	
4.4	Freedom of Information	CACP Freedom of Information Policy, publication scheme and published FOI requests and responses	✓
4.5	Conflicts of Interest	Code of Conduct for Business Board Members	✓
		Code of Conduct for staff	✓
		Declarations of Interest forms	✓
		Register of interest for Chief Executives	✓
4.6	Gifts and Hospitality	The register of gifts and hospitality declared by Business Board	✓
4.7	Complaints and Whistleblowing	CACP Complaints Policy	✓
		CACP Whistleblowing Policy	✓
		CA Business Board Complaints Policy	✓
		CA Business Board Whistleblowing Policy	✓
		CA Business Board Confidential reporting of complaints	✓
		Making a complaint	✓
		Fraud and Corruption Policy	
4.8	Diversity Statement	CA Business Board Diversity Statement	✓
4.9	Government Branding	Guidance for signage, social media, press notices and other marketing materials for every Government funded project (to be published)	
5	Robust Decision making		
5.3	Expressions of Interest/Open Calls	Local Growth Fund, expressions of interest under the Growth Prospectus	✓
5.5	Business Cases	10-point guide on Project Management – See Appendix 3	✓
5.7	Ensuring Value for Money	Monitoring and Evaluation Framework	
6	Delivery Phase		
		Growth fund and investment update reports	✓
		Risk Management	



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY



THE BUSINESS BOARD



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

DRAFT

Cambridgeshire and Peterborough Combined Authority Assurance Framework

~~November 2019~~

March 2021

Contents

Document verification:

Created:	Reviewed by:	Approved by:
March 2019	Chief Executive, <u>CPCA</u> S73 Officer and Directors	Business Board Combined Authority Board Audit and Governance Committee
May 2019	Chief Executive, <u>CPCA</u> S73 Officer and Directors	Business Board Combined Authority Board

November 2019	Chief Executive, <u>CPCA</u> S73 Officer and Directors	Business Board Combined Authority Board
<u>March 2021</u>		

Item 4

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1. Purpose of the Assurance Framework

1.1 Purpose

1.1.1. The Assurance Framework sets out:

- (a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices, and procedures.
- (b) The respective roles and responsibilities of the Combined Authority, the Cambridgeshire and Peterborough Local Enterprise Partnership (known as the Business Board) and the Section 73 Officer, in decision-making and ways of working is set out in the terms of reference of the Business Board and ~~forms part of~~ is included within the Combined Authority ~~and the Local Enterprise Partnership constitutions~~ constitution.
- (c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.
- (d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.
- (e) The processes for oversight of projects, programmes, and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

1.1.2. The Assurance Framework sits alongside a number of other Cambridgeshire and Peterborough Combined Authority documents including:

- ~~the Constitution of the Mayoral Combined Authority;~~
~~<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Final-Constitution-Sept18.pdf>~~
- ~~the Constitution of the Mayoral Combined Authority~~
- the Constitution of the Business Board (Local Enterprise Partnership);
~~<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Business-Board-Constitution-24-09-18-final.pdf>~~
- The Cambridgeshire and Peterborough Devolution Deal;
~~<http://cambridgeshirepeterborough-ca.gov.uk/home/devolution/>~~
- the Cambridgeshire and Peterborough Independent Economic Review (CPIER); www.cpier.org.uk
- Local Industrial Strategy; ~~<https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/>~~
- ~~the Mayor's growth ambition statement;~~
- the Cambridgeshire and Peterborough Business Plan 2019-2020;

- the Cambridgeshire and Peterborough Business Plan 2019-2020;

- [the Mayor's growth ambition statement](#)
- [the Cambridgeshire and Peterborough Annual Report & Business Plan](#)
- the Monitoring and Evaluation Framework:-

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/ME-Framework-Mar-2019.pdf>

- ~~the Combined Authority Medium Term Financial Plan 2019-2023-~~
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/2019-20-Budget-and-Medium-Term-Financial-Plan-2019-2023-FINAL.pdf>

- [the Combined Authority Medium-Term Financial Plan 2019-2023](#)

1.1.3. All these documents can be found on the Combined Authority and Business Board websites ~~under~~ _

<http://cambridgeshirepeterborough-ca.gov.uk/about-us>

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/governance/>

1.1.4. This Assurance Framework replaces the last published Assurance Framework and takes on board the national guidance published by the Ministry of Housing, Communities and Local Government for National Local Growth Assurance Framework (January 2019).

1.1.5. The Assurance Framework covers all funds within the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot under the Cambridgeshire and Peterborough Devolution Deal agreed with government, and funds added to the Single Pot since the Devolution Deal, together with other sources of income such as Enterprise Zone business rates and loan repayments.

1.1.6. The Assurance Framework will be reviewed ~~on an annual basis with any revisions in place for April of the following year. Any agreed changes that require amendments to the Combined Authority Constitution will be agreed at the Combined Authority AGM in May each year. The next annual review of this document will take place in December 2019, at least annually to ensure that it is kept up to date reflecting changes in the Combined Authority's operating environment and changes to Government policy.~~ **Where potential changes result in significant divergence from the approved local assurance frameworks, adjustments must be agreed by Ministry of Housing, Communities and Local Government for Communities and Local Government (MHCLG) as set out in the National Local Growth Assurance Framework guidance.**

~~1.1.7. The review will examine whether the assurance processes are operating effectively and identify any areas of improvement. Any changes to legal, funding, or other contextual changes that might require a change of assurance process will be taken into account, along with the impact on any other Combined Authority key strategies, policies or processes.~~

~~1.1.8.~~ **1.1.7.** The remainder of this document is structured around the following sections:

- **Section 2** describes the Cambridgeshire and Peterborough CPIER ~~and~~ the

Mayor's growth ambition statement, and our One-Year Annual Report & Item 4
Business Plan ~~2019-2020~~ and clarifies the content of Cambridgeshire and
Peterborough Medium Term Financial Plan and the role of the Assurance
Framework.

- **Section 3** describes the accountability and transparent decision-making processes and practices that we operate and the roles and responsibilities within it.
- **Section 4** describes the supporting policies and procedures.

- **Section 5** describes how we make robust and evidenced decisions. Item 4
- **Section 6** explains the processes once programmes and projects are in the delivery phase.
- **Section 7** explains how we will measure the success of our investments, realise the benefits of that investment and feed the evaluation outcomes back into the investment planning, and strategy and policy development processes.

2. Cambridgeshire and Peterborough Independent Economic Review, Mayor's Growth Ambition Statement and Annual Report & Business Plan 2019-2020

2.

2.1 Cambridgeshire and Peterborough Growth Ambition Statement and Local Industrial Strategy

- 2.1.1 The Cambridgeshire and Peterborough Mayor's Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. The Statement ~~has been~~was adopted by the Combined Authority Board (November 2018) and is based upon the significant work of the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
- 2.1.2 The CPIER was commissioned by the Combined Authority and other local partners to provide a world-class evidence base, alongside independent and expert analysis, to inform future strategies and investment. It was also informed by two rounds of open public consultation. The CPIER is publicly available ~~at~~ www.cpier.org.uk on the CPIER website.
- 2.1.3 ~~The Local Industrial Strategy~~ The Local Industrial Strategy sets out the economic strategy for Cambridgeshire and Peterborough, taking a lead role in implementing the business growth, productivity, and skills elements of the Growth Ambition Statement as set out below:



- 2.1.4 The Local Industrial Strategy is focussed around the five foundations of productivity established in the UK Industrial Strategy 2018, namely:

- People
- Ideas
- Business Environment
- Infrastructure
- Place

~~It is a~~

~~2.1.5~~ A core principle of the Local Industrial Strategy is that the fifth foundation of

place reflects the findings of the CPIER. In this area there ~~will be~~are economic strategies which respond to the three sub-economies identified in the region.

- Greater Cambridge
- Greater Peterborough
- The Fens

~~2.1.6 Investments will only be made if they can demonstrate that they will support the delivery of the Growth Ambition Statement and the Local Industrial Strategy, and the more detailed place and sector strategies (where they are in place).~~

~~2.1.5 The methodology for ensuring investment decisions align with the Combined Authorities strategic objectives is set out in section 5.~~

2.2 Cambridgeshire and Peterborough Annual Report & Business Plan 2019-2020

~~2.2.1 With the creation of the Combined Authority in 2017 and the Mayoral election in May 2017, the Devolution Deal with Government provides for the transfer of significant powers for transport, housing, skills and investment. Through the deal, the Combined Authority has the power to create investment, bringing together funding for devolved powers to be used to deliver a 30-year programme of transformational investment in the region. This includes the control of a new~~

~~2.2.1 £20m a year funding allocation over 30 years. The initial Cambridgeshire and Peterborough Combined Authority~~The CPCA Annual Report & Business Plan was agreedis approved in ~~March 2018~~January and ~~sets~~sets out the investment priorities for the ~~period to 2020~~forthcoming financial year. For simplicity the rest of this document will refer to it as the Business Plan.

2.2.2 The Combined Authority ~~has been developing~~continues to develop its detailed strategies for key areas of activity including:

- Housing Strategy
- Skills Strategy
- Local Industrial Strategy
- Local Transport Plan
- Non-~~statutory spatial plan~~Statutory Spatial Framework

~~2.2.3 The Combined Authority has 12 priority~~ projects and programmes, which are based upon the CPIER objectives and the strategies highlighted above. ~~These 12 priority programmes and~~ are reflected in the Business Plan. ~~On 30th January 2019, along with other projects.~~

~~2.2.3~~2.2.4 Alongside the Business Plan, and in line with its statutory duties, the Cambridgeshire and Peterborough Combined Authority Board ~~approved~~approves both a one-year budget, and a four-year Medium-Term Financial Plan, that forms the investment plan for the Combined Authority. This allocates resources to deliver the ~~next stages of these priority~~

~~programmes~~ Combined Authority's objectives set out in the Business Plan.

~~2.2.4—This~~ The Business Plan and the Medium-Term Financial Plan sets out at a high level the transformational investments that the Cambridgeshire and Peterborough Combined Authority will commit resources to, subject to the detailed consideration and appraisal of project business cases. Some are project ideas at an early stage ~~and might not be feasible~~ where their feasibility is being established, others are further advanced. The Business Plan and the Medium-Term Financial Plan are not intended to be an exhaustive list of activity as new opportunities will arise during the period, but it identifies the key activities that ~~are transformational and~~ will need investment during the ~~plan~~ planned period to unlock the opportunities they could bring. Prioritisation has been undertaken to ensure that our investment goes into projects that will unlock transformational anchor projects that will have a significant impact on

2.2.5 growing the whole Cambridgeshire and Peterborough economy.

~~2.2.5~~2.2.6 The Combined Authority has a Programme Management regime that reviews the status and performance of projects within the Business Plan. ~~This is reported to the Directors once a month, and to the Cambridgeshire and Peterborough Combined Authority Board quarterly.~~

2.3 Cambridgeshire and Peterborough Financial Strategy

2.3.1 ~~As part of the devolution deal, the~~ The Combined Authority has responsibility for ~~a 'Single Pot'~~ multiple streams of grant funding to invest strategically in the local area, including:

- Gainshare ~~(the devolution deal £20m pa for 30 years).~~
 - Housing Capital Grant ~~(£170m over five years).~~
 - Local Growth ~~Fund (LGF).~~ Funds and the Getting Building Funds
 - Transforming Cities Fund ~~(TCF) (£94.5m over six years).~~
 - ~~Adult Education Budget (AEB).~~
- However, the

2.3.2 The Combined Authority also has ~~other sources of~~ responsibility for operational grant funds such as:

- Local Highways Maintenance Capital grants
- The Adult Education Budget

~~2.3.2~~2.3.3 The Combined Authority has non-grant income, streams including Enterprise Zone business rates, the Transport Levy and investment income. The long-term security of the gainshare funds and other income and the devolution deal powers for the Combined Authority means that it is able to borrow against future funds, to enable ~~us~~ the Combined Authority to deliver transformational activity sooner rather than delivering smaller scale and less impactful activities based on a smaller annual allocation. This area of activity is incorporated into a ~~Treasury Management Strategy~~ Financial Strategies that ~~is~~ are overseen by Audit and Governance Committee. ~~Borrowing~~ Debt funded expenditure is not factored into the current four-year plan, but this may change as the feasibility work identified firms up project delivery programmes.

~~2.3.3~~2.3.4 The Combined Authority does not distinguish between the different sources of funding for the purpose of investment planning, other than recognising that some sources of funding are restricted in what they can be used for. All funds are ~~within~~ the Cambridgeshire and Peterborough Medium Term Financial Plan, not just the funds provided through the ~~devolution deal~~ Devolution Deal, and are covered ~~within~~ by this Assurance Framework.

~~2.3.4~~2.3.5 The Combined Authority recognises that the monitoring requirements for different sources of funding will differ and needs to meet the requirements of the funding body. However, the Combined Authority applies the Assurance Framework ~~consistently~~ across all ~~funds within the Plan~~ projects regardless of

funding source. The Assurance Framework clearly identifies the processes for securing funds for investment in Cambridgeshire and Peterborough and the requirements placed on delivery partners once their projects have been approved.

~~2.3.5~~2.3.6 This means that any organisation seeking funding from the Combined Authority does not need to concern itself with the source of the funding and different rules and processes that will apply. These will be identified in the funding agreement/contract with the delivery partner.



3. Accountability and Transparent Decision Making

3.1 Roles and Responsibilities

- 3.1.1 Members of the Combined Authority are expected to act in the interests of the Cambridgeshire and Peterborough area, as a whole, when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias and/or the perception of bias. Further details are provided in the following sections.

3.2 Cambridgeshire and Peterborough Combined Authority

- 3.2.1** The Combined Authority was established to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. As a statutory local authority ~~our~~, the governance, decision-making and financial arrangements are in line with local authority requirements and standard checks and balances. **The Combined Authority will act in a manner that is lawful, transparent, evidence based, consistent and proportionate.**
- 3.2.2** The Combined Authority was established in 2017 ~~with~~ The Mayor of the Mayoral election held Combined Authority was first elected in May 2017, and elections are held every four years.
- 3.2.3** For the purposes of this document ~~all~~, the majority of references to the 'Combined ~~Authority~~ Authority' apply to both the Cambridgeshire and Peterborough ~~Local Enterprise Partnership (known as Combined Authority and the Business Board)~~ unless explicitly referred to separately.
- 3.2.4** The Combined Authority therefore incorporates the ~~roles~~ roles and responsibilities ~~of the Business Board and the roles as~~ defined in the ~~devolution deal~~ Devolution Deal and the administration of the Adult Education Budget.
- 3.2.5** The Combined Authority is its own accountable body for funding received from Government through the ~~devolution deal~~ Devolution Deal and provides the accountable body role for the Business Board and the Greater South East Local Energy Hub and employs the officers that support them.

Combined Authority Membership

- 3.2.6** The Combined Authority membership is as follows: Mayor (Chair) ~~—~~ voting Leaders of the seven constituent local authorities:
- Cambridge City Council - voting
 - Cambridgeshire County Council - voting
 - East Cambridgeshire District Council - voting
 - Fenland District Council - voting
 - Huntingdonshire District Council - voting
 - Peterborough City Council - voting
 - South Cambridgeshire District Council - voting

- ~~Local Enterprise Partnership~~Business Board Chair - voting
- The Police and Crime Commissioner for Cambridgeshire - non-voting
- Cambridgeshire and Peterborough Fire Authority representative - non-voting

- Clinical Commissioning Group representative - non-voting

Role of the Mayor

- 3.2.7**• The Constitution provides for a directly elected Mayor of Cambridgeshire and Peterborough, required by government as a precondition for meaningful devolution, and ~~who~~whom is the chair of the Combined Authority. The Mayoral arrangements will only gain the confidence of the electorate if they secure support from across our diverse communities, meet the highest standards of democratic accountability and are subject to robust checks and balances.
- 3.2.8**• The Mayor chairs the Combined Authority Board which is made up of the leaders of the seven constituent authorities and the Chair of the Business Board, who together form the Combined Authority's decision-making body (voting members of Board), ~~together~~along with other non-voting partners set out above.
- 3.2.9**• The Constitution sets out arrangements to ensure the effective conduct of the Combined Authority's business is in this spirit of collaboration, mutual respect and transparency. All members strive to work on the basis of consensus, ~~and~~ taking decisions through agreement.
- 3.2.10**• The Mayor has a lead role in allocating ~~gain share funding~~Gainshare Funding. The Mayor's Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. These priorities also form the basis of the Business Plan and the Medium Term Financial Plan. The Mayor also produces his own budget each year which ensures he has appropriate support and advice on delivering the Devolution Deal commitments.
- 3.2.11**• The Mayor has general powers as set out in Chapter 3 of the Constitution, including the power to pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities.
- The ~~Mayor's term~~Mayor of ~~office is for four years with the next election~~Combined Authority was first elected in May ~~2021~~2017, and elections are held every four years.

3.2.12

Role of the Local Authority Leaders

- 3.2.13**• Leadership of the Combined Authority is driven by the Mayor and the local authority leaders. The local authority leaders represent the views of their constituent authorities at the Combined Authority Board whilst putting the needs and opportunities of Cambridgeshire and Peterborough at the forefront of all decisions. In addition, they may take a portfolio lead covering the growth themes within the CPIER and the Mayor's ~~growth ambition statement~~Growth Ambition Statement and the Cambridgeshire and Peterborough Investment Plan. These portfolio lead roles are reviewed annually and are confirmed at the Combined ~~Authority AGM~~Authority's Annual General Meeting.

3.3 Business Board (LEP)

~~3.3.1~~ 3.3.1 Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the former Department of Business Innovation and Skills to help determine local economic priorities ~~and lead~~ and lead economic growth and job creation within the local area.

3.3.2 The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. A joint statement setting out the respective roles of the Business Board and the Cambridgeshire and Peterborough Combined Authority is shown in Appendix 1.

~~3.3.2~~ 3.3.3 The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough

Combined Authority (CPCA) 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.

3.3.4 The Cambridgeshire and Peterborough Combined Authority acts as the Business Board's Accountable Body to undertake the public funding accountability responsibilities for administering funds and must also review and approve this Framework.

~~3.3.3~~ 3.3.5 The Business Board is committed to transparent and accountable decision-making processes. By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.

~~3.3.4 Cambridgeshire and Peterborough has three functioning economic areas. The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. A joint statement setting out the respective roles of the Business Board and the Cambridgeshire and Peterborough Combined Authority is shown in Appendix 1.~~

~~3.3.5 The Business Board currently covers 15 local authorities; however, the current geographical area is under review. The Department for Business Enterprise and Industry are considering proposals for a coterminous boundary with the Cambridgeshire and Peterborough Combined Authority. The authorities that are current members are as below:~~

District	Areas	Council
Cambridgeshire		Cambridgeshire County Council
Cambridge		Cambridge City Council
East Cambridgeshire	Ely, Littleport and Soham	East Cambs District Council
Fenland	Wisbech, March, Whittlesey & Chatteris	Fenland District Council
Huntingdonshire	Huntingdon, St Ives & St Neots	Huntingdonshire District Council
South Cambridgeshire	Cambourne	South Cambs District Council
Peterborough		Peterborough City Council
North Hertfordshire	Royston	North Hertfordshire District Council
South Kesteven (Lincs)	Grantham, Stamford, Bourne and Market Deeping	South Kesteven District Council
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 District Council
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 District Council
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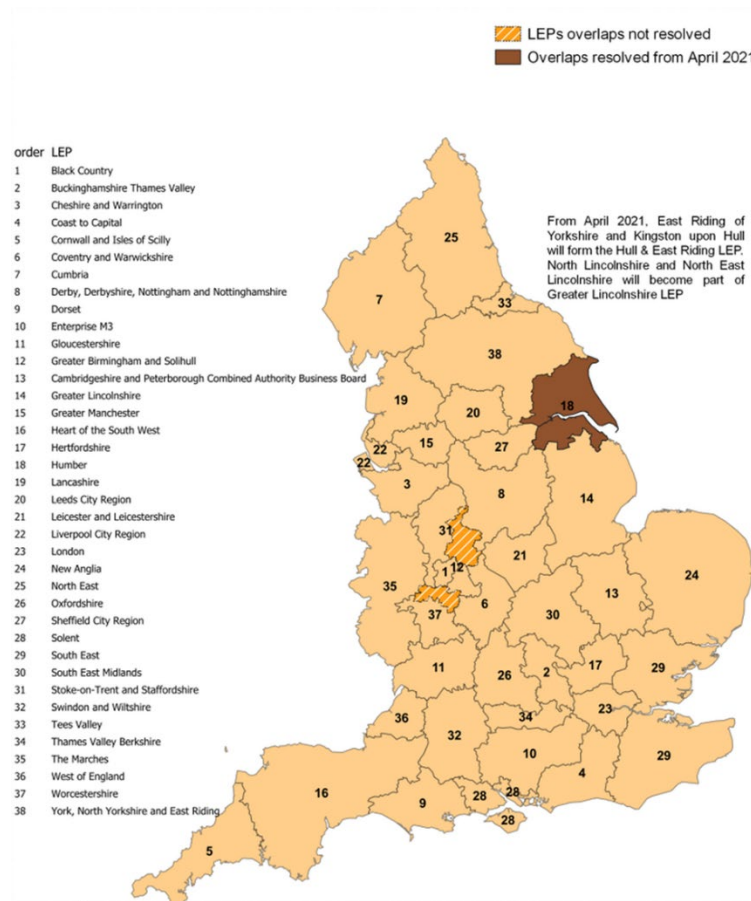
The Business Board's current area is set out below. 3.3.6 Prompted by Government's Strengthened Local Enterprise Partnerships Review, which



called for local areas to reach solutions to remove the delivery geography overlap between LEPs, the Business Board has become coterminous with the CPCA geography.

3.3.7 To formalise coterminous approach, the Business Board has entered into Strategic Partnership Agreements (SPA) to transfer delivery of services in overlap areas to neighbouring LEPs. SPA's has been agreed with New Anglia LEP, South East LEP, Hertfordshire LEP and Lincolnshire LEP. HMG's Cities and Local Growth Unit (CLGU) have been consulted on the CPCA's adopted approach to resolving the LEP overlaps and have confirmed all previous overlap issues between the CPCA Business Board and its neighbouring LEPs as concluded.

3.3.8 Government has produced the following revised LEP boundary map showing the new LEP geographies demonstrating the Business Board geography is now confirmed as coterminous with the CPCA geography:



~~3.3.6~~ 3.3.9 The red line denotes the area covered by the Cambridgeshire and Peterborough Combined Authority and Business Board:



~~3.3.7~~ 3.3.10 The Business Board is the principal forum for collaboration between the public and private sectors, for improving the economy of Cambridgeshire and Peterborough. In 2014, the Government announced the first wave of Growth Deals, making investment via its Local Growth Fund. Also Government announced allocation of the Getting Building Funding in summer 2020. To date, the Business Board (via the former Local Enterprise Partnership) has been awarded ~~£146m~~£161m via three rounds of Growth Deal funding and the Getting Building Funding allocations.

~~3.3.8~~ In April 2016, the Government reviewed Growth Deal Assurance Frameworks in the context of new Devolution Deals and issued Single Pot Assurance Framework Guidance for devolved areas. In July 2016, Cambridgeshire and Peterborough secured a Devolution Deal and began work to set up a new Combined Authority. Therefore, this new Guidance came into effect for the Business Board area from that date. In November 2016, the Government issued revised national guidance for Local Enterprise Partnership Assurance Frameworks. The Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017.

~~3.3.9~~ The Cambridgeshire and Peterborough Combined Authority acts as the Business Board's Accountable Body to undertake the public funding accountability responsibilities for administering funds and must also review and approve this Framework.

~~3.3.10~~ 3.3.11 The Business Board provides leadership in the arena of economic growth across its area. Comprising business leaders from key industry sectors, it provides expert knowledge and insight into economic growth-related activities in its area and leads the development of the Industrial Strategy.

3.3.12 The Business Board is building on the strength of its existing partnership with neighbouring Local Enterprise Partners by collaborating on common issues and is currently leading on multi ~~Local Enterprise Partnership~~ LEP programmes on Energy and Agri-Tech. It will continue to work collaboratively across the wider region and ~~also~~ envisages working more closely with other Local Enterprise Partners that are outside the current Local Enterprise Partnership area potentially through new collaborations and funding agreements.

~~3.3.11~~

~~3.3.12~~ 3.3.13 The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.

~~3.3.13~~ 3.3.14 The Chair and Vice Chair of the Business Board are private sector representatives. The Chair will lead on building the reputation and influence of the area at a national and international level and chairs Business Board meetings. The Chair is also a voting member of the Cambridgeshire and Peterborough Combined Authority Board. The Vice Chair will be available to deputise for the Chair as required.

~~3.3.14~~ 3.3.15 The Business Board has a designated ~~a~~-small business (SME) representative, champion who will lead the engagement with small businesses across the area and represents their views at Board level. Given the makeup of the local business community, this is a vital role on the Board.

~~3.3.15~~ 3.3.16 All of the Board Members operate in an open and transparent manner and conduct themselves in accordance with 'The Seven Principles of Public Life' otherwise known as the Nolan Principles, and ~~the Business Board's~~ Code of Conduct.

~~3.3.16~~ 3.3.17 The Business Board is committed to diversity and has a Diversity Statement in place to help guide Board appointment decisions.

~~3.3.17~~ 3.3.18 The Business Board's Executive Team ~~is provided via the Cambridgeshire and Peterborough Combined Authority officer structure, who operate as a single team for the Combined Authority and the Business Board. This~~ includes an experienced Chief Executive, S73 Officer, (CPCA S73 Officer), Monitoring Officer, Directors, Programmes Managers, ~~Assurance Manager~~ and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.

~~3.3.18~~ 3.3.19 The other public and private sector members of the Local Enterprise Partnership support the Combined Authority's work by:

- Supporting and offering advice to the Combined Authority on their responsibilities.
- Championing and promoting specific initiatives from the perspective of business.
- Influencing the development of the Combined Authority's strategies and policies, including as lead organisation for the development of the Local Industrial Strategy at the invitation of the Combined Authority.

- Representing the Cambridgeshire and Peterborough nationally and internationally.
- Ensuring a strong business influence over decision-making.
- Supporting the development and delivery of the CPIER and the Mayor's ~~growth ambition statement~~Growth Ambition Statement.

~~3.3.19~~3.3.20 Cambridgeshire and Peterborough are an active member of the national Local Enterprise Partnership Network and will continue to be so. This includes participation in both Local Enterprise Partnership Chair and officer level meetings.

~~3.3.20~~3.3.21 **Enterprise Zones:** The Business Board retains strategic oversight and governance of the Enterprise Zones, and delegates programme delivery to the Alconbury Weald Enterprise Zone Programme Board and Project Boards for Cambridge Compass Enterprise Zones. These Boards will drive forward the regeneration and economic growth opportunities of Enterprise Zone sites and will be responsible for reporting to both the Business Board and Combined Authority Board as the accountable body.

~~3.3.20~~3.3.22 These Enterprise Zone Boards comprise of Combined Authority officers, Local Authority representatives and key stakeholders. Each is responsible for delivering the programmes and projects associated with the regeneration and development of the Enterprise Zone site.

~~3.3.21~~3.3.23 **The Eastern Agri-Tech Growth Initiative & Agri-Tech Programme Board:** The Eastern Agri-Tech Growth Initiative is overseen by the Eastern Agri-Tech Programme Board. Membership of the Programme Board includes experts with experience and knowledge of agriculture and the food industry, including research, farming and food processing.

~~3.3.22~~ The Programme Board's main task is to consider and make decisions on applications for grant support. All applications are initially appraised by external independent assessors and follow the process ~~that was previously agreed set out in the Constitution~~. Copies of the Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire (the simple eligibility form) can be found on the Combined Authority and Business Board website ~~using the following link:~~

~~<http://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/>~~

~~3.3.25~~ The Eastern Agri-Tech Growth Initiative has its own monitoring and evaluation arrangements, but these do link to the Combined Authority ~~monitoring~~Monitoring and ~~evaluation framework~~Evaluation Framework.

~~3.3.23~~3.3.26 Agri-Tech is one of our strategic growth sectors identified by the CPIER; our ambition is to use the Local Industrial Strategy to step up our programme to ensure we are the “go to” UK centre for Agri-Tech. Agri-Tech also features within our Skills Strategy.

~~3.3.24~~ It was recommended by the Business Board and agreed by the ~~The~~ Combined Authority Board ~~at their respective meetings in November 2018 that the Eastern Agri-Tech Programme Board should continue to take~~delegates decisions about applications for the grant funding ~~on behalf of both for the Combined Authority and NALP (both organisations are represented on Eastern Agri-Tech Programme to the Eastern Agri-Tech Programme Board);~~Specifying that that the Programme

3.3.27 Board became a sub-Board of the Business Board and that a member of the Business Board (nominated by the Business Board) became the Chair of the Programme Board. This would strengthen existing governance arrangements and provide continuity between the two Boards. The agenda and decisions of the Programme Board would be published on the Combined Authority/Business Board web site (with names of individuals redacted) in accordance with the transparency arrangements set out in the Business Board constitution. This will ensure that the operation of the Agri-Tech programme is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority is the Accountable Body for the Eastern Agri-Tech Growth Initiative.

3.3.28 The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Agri-Tech Project Officer, who is a very experienced programme manager and ensures that the Programme Board operates effectively, that its decisions are sound and that the Eastern Agri-Tech Growth Initiative is successful and delivers meaningful outcomes.

~~3.3.25~~3.3.29 The Terms of Reference (TOR) for the Eastern Agri-Tech Programme Board have been agreed and appear on the Combined Authority/Business Board web site. The TOR can be seen on the CA/Business Board website ~~using the following link:~~

~~<http://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/>~~

~~3.3.26~~3.3.30 **The Greater South East Energy Hub & Energy Hub Board:** The Energy Hub is funded by the Department for Business, Energy & Industrial Strategy (mc) and overseen by the Hub Board. Membership of the Hub Board includes an officer representative from each of the eleven Local Enterprise Partnerships served by the Hub.

~~3.3.27~~3.3.31 The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board's main task is to approve the allocation and leverage of funds for the Local Energy Capacity Support Programme. The Hub Board are responsible for oversight of the Rural Community Energy Fund (RCEF) Funding Panel; a Hub Board subordinate body that makes decisions on grant applications. All applications are initially appraised by external independent assessors and follow the process agreed with Government. Copies of the RCEF guidance notes and Expression of Interest form can be found on the RCEF website ~~using the following link:~~

~~<http://cambridgeshirepeterborough-ca.gov.uk/business-board/energy-hub/>~~

3.3.32 The Energy Hub has its own project assessment frameworks, monitoring and evaluation arrangements but these do link to the Combined Authority ~~monitoring~~Monitoring and ~~evaluation framework~~Evaluation Framework.

~~3.3.28~~3.3.33 Clean growth is one of the Grand Challenges in the Industrial Strategy. The transition to local low carbon energy is set out in the Local Energy East Strategy and the CPIER recognises the need for a roadmap to decentralised smart energy systems.

~~3.3.29~~ The Business Board and the Cambridgeshire and Peterborough Combined

~~3.3.34~~ 3.3.34 Authority have agreed that the Combined Authority would be the Accountable Body for the Energy Hub and that the Energy Hub would assume the RCEF management role and administer the Fund. They also agreed the Hub Board terms of reference recognising it as a decision-making body for the Hub.

~~3.3.303.35~~ 3.3.35 The agenda and decisions of the Hub Board will be published on the Combined Authority/Hub Board ~~web site~~ website (with names of individuals redacted). This will ensure that the operation of the Energy Hub is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority Board is the Accountable Body for the Energy Hub Initiative.

~~3.3.313.36~~ 3.3.36 The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Regional Energy Hub Manager, who ensures that the Hub Board operates effectively, that its decisions are sound and that the Greater South East Energy Hub is successful and delivers meaningful outcomes.

~~3.3.323.37~~ 3.3.37 The Terms of Reference (TOR) for the Hub Board have been agreed and appear on the Combined Authority/Energy Hub web site. The TOR can be seen on the Combined Authority/Energy Hub website ~~using the following link:~~
<http://cambridgeshirepeterborough-ca.gov.uk/business-board/energy-hub/>

Membership of the Business Board

~~3.3.333.38~~ 3.3.38 The Business Board has been reviewing its membership in response to the national Local Enterprise Partnership review (Mary Ney, 2017) and government's response "Strengthened Local Enterprise Partnerships" (July 2018). The current membership ~~(September 2018)~~ comprises of fourteen members, which includes two public sector members and up to twelve business representatives as follows:

- The Mayor and the Portfolio for Economic Growth of the Cambridgeshire and Peterborough Combined Authority shall be non-voting members of the Business Board by virtue of their office. Thus, ensuring close working relationship between the Combined Authority and the Business Board.
- Twelve private sector members appointed from ~~amongst~~ the key sectors across the Cambridgeshire and Peterborough area.
- One of the twelve private sector members is appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one member represents the education sector and one member is appointed as an international business representative.

~~3.3.34~~ The Business Board membership meets the requirements for two thirds of the members to be private sector representatives and does not exceed the maximum of 20 members.¹

~~3.3.353.39~~ 3.3.39 . Whilst all appointments to the Business Board have been made on merit, in accordance with Government requirements the Business Board will aim

¹ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

to improve the gender balance and representation of those with protected characteristics on its board with the following aims:

- That women make up at least one third of Business Board ~~by 2020~~.
- With an expectation for equal representation by 2023.
- Ensure its Board is representative of the businesses and communities they serve².

~~3.3.36~~ 3.3.40 The Business Board will regularly review its agenda balance on the Business Board and any committees.

~~3.3.37~~ 3.3.41 The Business Board Constitution sets out its role, the principles of membership and the terms of office.

- The term of office for **private sector representatives** will normally be a maximum of three (3) years, and subject to a maximum of one consecutive term.

- The term of office of **public sector** members appointed by the Combined Authority is at their discretion; the Mayor is a member by virtue of his office.

~~3.3.38~~3.3.42 The **Chair** Business Board may appoint **up to five** co-opted members as necessary to complement the skills and expertise on the Board or to meet gender balance and protected characteristic requirements. Membership may not exceed 20 members and up to five co-opted members.

~~3.3.39~~3.3.43 Private sector members all have expertise and knowledge of our key sectors. These details together with their biographies are published on the Business Board website. ~~This will include~~ including a designated SME representative.

Chair and Vice-Chair of Business Board

~~3.3.40~~3.3.44 The Constitution requires that the Chair and Vice-Chair must be the private sector representatives of the Board.

~~3.3.41~~3.3.45 The terms of office of the Chair and Vice-Chair will be for ~~two (2)~~three (3) years with one consecutive term permitted upon unanimous vote of the Board members present and voting.

~~3.3.42~~3.3.46 The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board.

~~3.3.43~~3.3.47 “Strengthened Local Enterprise Partnerships” stipulated a maximum membership of 20 members with 2/3rds from the private sector and to aim to have a 50/50 gender balance by 2023. ~~The Business Board aims to have a 50/50 gender balance by 2020 through the advertisement and appointment of new private sector members to sit on the Board and the appointment of co-opted membership. A recruitment campaign will be undertaken in 2019 for three new members to ensure gender balance and to ensure all members’ term of office does not end at the same time thus ensuring succession planning.~~

~~3.3.44~~3.3.48 Following the revised Assurance Framework Guidance (January 2019), Higher Education and Further Education will represent the private sector on the Local Enterprise Partnership.

~~3.3.45~~ The Business Board Constitution states that private sector members including the

3.3.49 Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with its ~~diversity statement~~ Diversity Statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by the relevant Business Board's appointments panel. The Business Board will consult widely and transparently with the business community before appointing a new Chair. When vacancies become available for private sector Local Enterprise Partnership members, they will be advertised on the Combined Authority website. In addition, social media will be used to raise awareness of the opportunities, particularly among under-represented groups. A recruitment panel (including the Cambridgeshire and Peterborough Mayor and Local Enterprise Partnership Chair) assesses applications received and makes a recommendation to the Combined Authority Board for approval of appointments.

~~3.3.46~~ 3.3.50 All Local Enterprise Partnership members (public and private) are expected to conduct themselves in accordance with the seven principles of public life. This is set out under the Code of Conduct detailed in the Combined Authority Constitution and provided to all new Local Enterprise Partnership members in their induction information. All members sign up to the code of conduct and the Nolan principles. As stated in its constitution, all Business Board and sub-committee and sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

3.3.51 ~~New members receive an initial induction, and this is being enhanced during 2019. All new members of the Business Board receive a comprehensive induction to ensure they have the knowledge and understanding needed to effectively fulfil their duties in the role. To bring an element of consistency to the induction, a presentation based training tool has been introduced to all members, and to which new Business Board members can refer and at their convenience. The Business Board induction covers the following elements:~~

- CPCA Assurance Framework
- Governance & Constitution
- Nolan Principles – member roles and responsibilities
- Business Board Landscape - purpose and key tasks
- Annual Performance Review – Business Board effectiveness
- Strategy & Delivery
- Succession Planning & Future Funding Strategy

~~3.3.47~~

Wider Business and Public Engagement

~~3.3.48~~ 3.3.52 The Combined Authority and Business Board recognise that the private sector members cannot represent the views of all business in the Cambridgeshire to support the Chair and Board, the Director of Business and Skills is the chief

and Peterborough area. Therefore, a variety of engagement mechanisms are utilised to ensure that the broader business community has the ability to influence strategy and policy development, our investment priorities and to be actively engaged in the delivery of some of our activities, particularly around supporting careers development with schools. This includes, through the business networks and groupings that officers of the executive engage with, as ~~a~~ part of their activity, as well as specific engagement sessions – such as business roundtables to inform strategy and policy development.

~~3.3.49~~3.3.53 Strategy and policy documents are developed through engagement with partners and key stakeholders and are subject to consultation. Each consultation will vary depending on the topic but will meet ~~any~~all statutory requirements. However, drafts are formally considered in public at the Combined Authority Board with papers published in advance of the meeting.

~~3.3.50~~3.3.54 Evidence of effective public engagement includes the work on the CPIER and Local Industrial Strategy referred to in section 2. A review of engagement activity and impact will be undertaken annually as part of the annual ~~delivery plan~~Delivery Plan from 2020. The annual ~~delivery plan~~Delivery Plan will be published on the website.

Secretariat Arrangements

~~3.3.51~~ In accordance with Government requirement ~~to have~~, an independent secretariat

~~3.3.55~~ ~~officer and a designated Chief Officer were~~ appointed to support the Business Board. The ~~Director~~ Chief Officer is supported by a ~~S73~~ Business Board S73 (BB S73) Chief Finance Officer and Monitoring Officer appointed separately to ~~these~~ the statutory officers who support the Combined Authority Board.

Local Area Agreement

~~3.3.52~~ 3.3.56 In accordance with Government requirements for mayoral areas there is a requirement for a Local Agreement between the Business Board and the Cambridgeshire and Peterborough Combined Authority and the Accountable Body setting out the responsibilities of the Chair, Board and Accountable Body. The Accountable Body agreement is embedded in the Business Board's terms of reference and constitution.

3.4 Decision Making for the Cambridgeshire and Peterborough Investment Funds

3.4.1 Cambridgeshire and Peterborough Combined Authority is its own Accountable Body for all funds received by Government and is the Accountable Body for the Business Board.

3.4.2 The Cambridgeshire and Peterborough Combined Authority ~~and the Business Board~~ Constitution sets out the basis of how decisions will be taken within our Combined Authority, in keeping with principles of democracy and transparency and with effective and efficient decision-making. The Constitution takes on board the changes relating to the Business Board, as a result of the national Local Enterprise Partnership review.

~~3.4.3 In summary, the decision-making process and governance for Cambridgeshire and Peterborough as set out in the Cambridgeshire and Peterborough Business Plan is as follows:~~

~~3.4.4~~ 3.4.3 Investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local transport objectives and through formal LEP involvement. The Monitoring Officer ~~and S73~~ review reviews all proposed funding decision and their comments are included in all public or delegated power reports. The CPCA S73 Officer reviews all funding decisions recommended to the Combined Authority Board and their comments are included in all public or delegated power reports. The BB S73 Officer reviews and approves all funding decisions before recommendation to the Business Board, their comments are included in all public reports.

CPIER and the Mayor's growth ambition

~~statement~~ statement and Investment Planning

~~3.4.5~~ 3.4.4 The Combined Authority Board provides the overall strategic direction for economic growth in Cambridgeshire and Peterborough, approving the CPIER and the Mayor's ~~growth ambition statement~~ Growth Ambition Statement and

associated thematic strategies and plans.

~~3.4.63.4.5~~ The Combined Authority Board sets out the investment priorities for Cambridgeshire and Peterborough through the Medium-Term Financial Plan and the Business Plan. This includes named prioritised projects which are allocated against either revenue or capital funds. ~~All projects, revenue or capital, are identified in the current year of the Business Plan and the Medium-Term Financial Plan.~~

Decision process for Business Board and Combined Authority Board projects

~~3.4.7~~3.4.6 For new programmes/projects, the detailed consideration of whether the programme/project represents value for money, has realistic delivery timescales and processes, and will deliver the outputs and outcomes ~~that we require etc~~ in line with our strategic documents is undertaken through the development of a Project Initiation Document (PID) and Business Case.

~~3.4.8~~3.4.1 ~~Work from the Department for Transport Early Assessment and Sifting Tool ('EAST') has created a benchmark and guidance that has been built into the Project initiation Document and Business Case templates, to which all projects must adhere to. This forms the evidential basis on which the need for intervention is based and will help ensure programmes and projects are identified based on need and opportunity.~~

~~3.4.9~~3.4.7 A ~~Project Initiation Document~~PID is used to identify the expected expenditure, project governance, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager.

~~3.4.10~~3.4.8 ~~This document~~The PID provides a first view of how, what and when the project will deliver against the Mayor's Growth Ambition Statement, the Local Industrial Strategy and the ~~2019/20~~ Business Plan. ~~This Project Initiation Document will include detail such as:~~

3.4.9 Once approved, the project can then be developed into a Business Board or paper for approval at the Combined Authority Board meeting.

- ~~• The identified Project Manager.~~
- ~~• Project description including objectives and overview.~~
- ~~• Timescales (high level).~~
- ~~• Project outputs and outcomes against the CIPER and the Mayor's growth ambition statement.~~
- ~~• Cost of project (high level), and initial funding required.~~

~~3.4.11 Project Initiation Documents are appraised and approved during the Combined Authority weekly Director meetings. Following approval, the Project Manager can then arrange for the Business Case to be developed, adapting HM Treasury's Five Case Model.~~

~~3.4.12 Business cases should be initially appraised and approved at the weekly Combined Authority Director Meetings. In considering the appraisal recommendations (including any conditions) on business cases the following supporting information will be provided to the Directors meeting:~~

- ~~• The business case.~~
- ~~• The completed appraisal documents.~~

~~3.4.13 Once approved at the Director meetings, the Business Case will then require final approval to commence to project delivery. This may be via the monthly Combined Authority Board cycle or by Combined Authority Officers. Approval requirements are set out in the Scheme of Delegations.~~

~~3.4.14 In addition, projects with political sensitivities or a variation to an original Board approval are required to go to Combined Authority Board for approval, even~~

~~when the Chief Executive has delegated authority to sign off.~~

Decision process for Business Board

~~3.4.15~~3.4.10 The Business Board will review the Business Case for Business Board funded projects and make recommendations to the Combined Authority Board, as Accountable Body, to approve the funding.

~~3.4.16~~3.4.11 In order to ensure that the Business Board is able to progress its business in an efficient manner, the Business Board has an urgency decision making procedure which is set out in its constitution. Decisions and actions taken will be retrospectively reported to the next meeting of the Business Board

~~3.4.17~~3.4.12 In addition to the delegations in the Combined Authority Constitution, the Business Board and Combined Authority Board has delegated limited authority to the Director of Business and Skills to approve small grants to SMEs between £2,000 and £20,000 subject to Section 73 Officer approval, and regular reporting to the Business Board;

~~3.4.18~~3.4.13 Business cases approved at the Business Board and Combined Authority Board are published on the Combined Authority website, as part of the monthly Board papers._

3.4.14 Work from the HM Treasury on Green Book guidance has created a benchmark and guidance that has been built into Business Case templates and for when procuring Business Cases; all Business Cases must adhere to the 5-case model. This forms the evidential basis on which the need for intervention is based and will help ensure programmes and projects are identified based on need and opportunity.

~~3.4.19~~3.4.15 Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting ~~business cases~~Business Cases available on request. The Officer Decision Notices are published on the Combined Authority website.

~~3.4.20~~3.4.16 All reports to the Business Board and any committees, include the application for funding, appraisal of application, legal and finance expert' view and recommendations. The BB S73 Officer signs off all Business Board expenditure

Summary of Scheme of Delegations for Business Board

The scheme of delegation specific to local enterprise funding is set out in ~~Part 3 and 4 of~~ the Business Board's constitution and is summarised in Appendix 2. The Combined Authority Constitution also applies to all Business Board and officer decisions.

Decision process for Combined Authority Board

~~3.4.21~~3.4.17 The Combined Authority Board will approve the Business Cases for

Combined Authority funded projects and will approve the Business Case recommended by the Business Board.

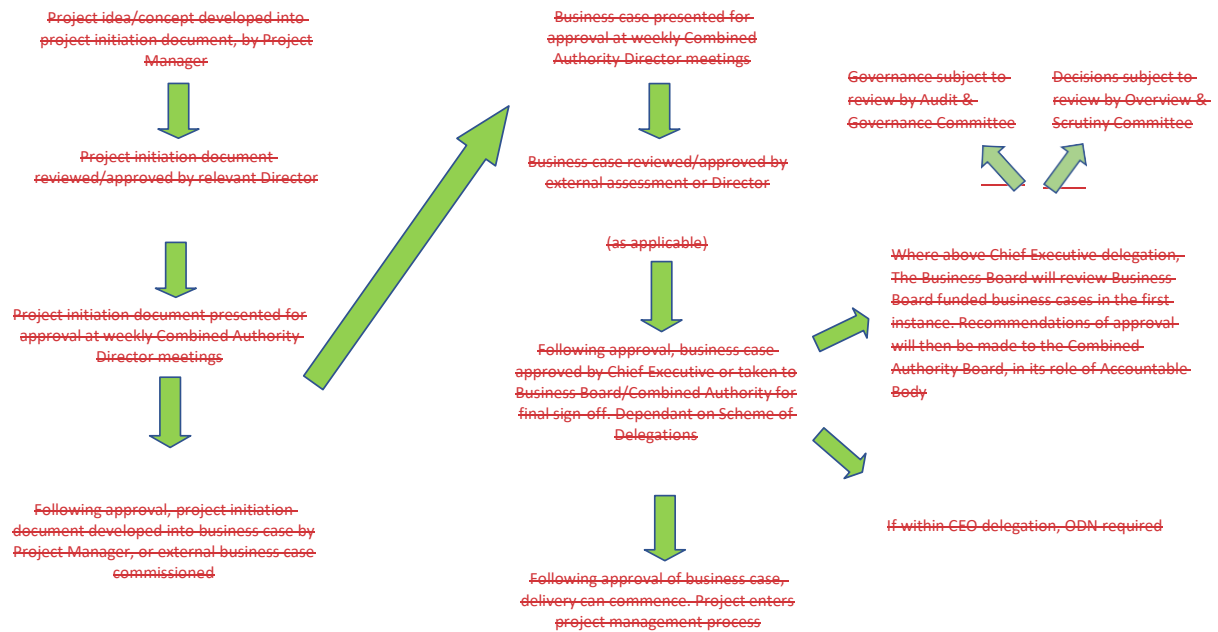
~~3.4.22~~3.4.18 Business cases and appraisal documentation submitted to the Combined Authority Board will be published on the Combined Authority website with Board papers, subject to any exemptions applied as set out in the transparency rules within the Constitution.

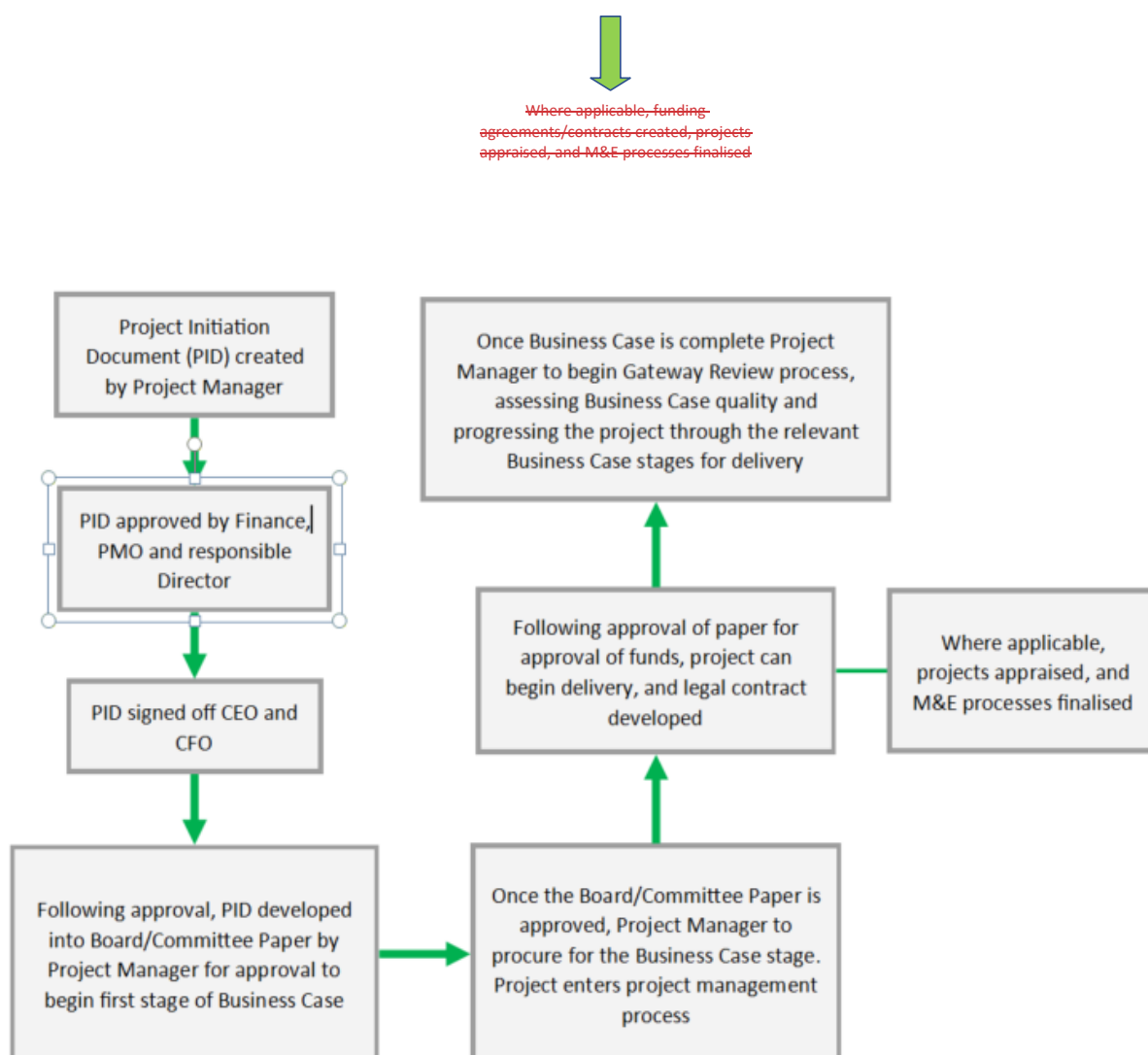
~~3.4.23~~3.4.19 Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting business cases available on request. The Officer Decision Notices are published on the Combined Authority website.

~~3.4.24~~3.4.20 The decision-making process and governance arrangements are illustrated in the diagram below:



Decision Making Process





Decision process for new programmes/projects not in the Business Plan and not within a named budget allocation

~~3.4.25~~3.4.21 New opportunities or challenges will arise and programmes/projects that are not currently in the ~~business plan~~Business Plan will need to be considered to address them. If these new programmes/projects ~~cannot be~~are not accommodated within the current Medium- Term Financial Plan, they will need to be considered by the Combined Authority Board for entry to the Budget and Business Plan ~~and reflected in the six monthly refreshment cycle for those documents.~~

3.4.22 The Business Plan and Medium-Term Financial Plan ~~will~~are normally set annually but can also be ~~reviewed every six months, together with any prioritisation of new~~refreshed within the year where there are extraordinary unforeseen circumstances.

~~3.4.26~~ New projects:

~~3.4.27~~3.4.23 ~~Those that~~ which are accepted ~~into the Business Plan~~ would then

proceed to follow the ~~Project Initiation Document through to Business Case~~PID development and be taken to the Combined Authority Board for decision.

Role of the Cambridgeshire and Peterborough Corporate Management Team

~~3.4.28~~3.4.24 The Cambridgeshire and Peterborough ~~Directors~~Corporate Management Team is made up of members of the Combined Authority's senior officers: Chief ~~Executive~~Executives, Section 73 Officer, and Directors. The Management Team meets ~~weekly~~regularly and has an oversight role of the work of the Combined Authority.

3.5 Decision Making for the Adult Education Budget

3.5.1 Investment decisions on the use of the Adult Education Budget will be made with full consideration to the statutory entitlements:

3.5.1.1 English and Maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4, or higher, and/or.

3.5.1.2 First full qualification at Level 2 for ~~individuals aged 19 to 23~~all, and/or.

3.1.5.3 First full qualification at level 3 for individuals aged 19 to 23.

3.5.2 The Combined Authority submitted its Strategic Skills Plan to government in May 2018 as part of the readiness conditions requirements set by the Department for Education. Further iterations have been shared with the Department for Education and form a chapter in the new Skills Strategy 2019.

3.5.3 Local and national partners have been fully engaged throughout the development phase for the processes and priorities for the funding award and during the funding award phase. This has included providing regular communications via our website, hosting three strategic events for all local and national providers, and participating in provider network meetings that met regularly during 2018. The Provider Networks comprised local Further Education and local authority providers, the Education and Skills Funding Agency, the Association of Colleges and Independent Training Providers.

3.5.4 The Combined Authority Board is the final decision-making body for funding awards. A grant commissioning process was launched on 1st December 2018 and closed in March 2019. Appraisals were carried out on the submitted delivery plans requesting funding by the Combined Authority officers. A moderation panel of internal senior managers consider recommendations and make final recommendations for approval. The Director of Business & Skills in consultation with the Portfolio Holder for Skills to approve funding awards.

3.5.5 **During the funding award process a web enabled portal has included the ability for all potential providers to submit questions. These have been developed into a Q+A section on the portal so that the same information is available to all potential providers.**

3.6 Statutory Committees

3.6.1 As a Mayoral Combined Authority, we are constitutionally required to have the

following Committees within our Governance structures:

- **Overview & Scrutiny Committee:** Reviews decisions made, to ensure they

meet the needs of the people of ~~the~~ Cambridgeshire and Peterborough and are made in line with our agreed policies; making recommendations where necessary. It has the power to “call in” and delay the implementation of decisions made by ~~the~~ Board. The membership of the Committee comprises 14 members, two nominated from each of the Constituent Authorities.

Members of the Committee appointed reflect the balance of political parties for the time ~~being prevailing~~ among members of the Constituent Authorities collectively. It also has the power to scrutinise the Business Board.

- **Audit & Governance Committee:** Ensures we are spending public money properly and have the right systems in place to manage our finances correctly and meet our legal and regulatory responsibilities. The Committee also reviews the corporate risk register on a quarterly basis. The membership of the Committee is one member from each Constituent Authority. Members of the Committee appointed reflect the balance of political parties for the time ~~being prevailing~~ among members of the Constituent Authorities collectively. The Committee will also oversee the audit and governance arrangements of the Business Board.

3.6.2 The terms of reference and membership of these Committees is detailed in the Combined Authority Constitution.

3.6.3 There are also three executive Committees of the Combined Authority: Skills, Transport and Infrastructure, and Housing and Communities. These executive Committees take decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

3.7 Role of the Statutory Officers

3.7.1 The Combined Authority appoints four Statutory Officers who each have a formal role of discharging the duties and obligations on its behalf. The roles are detailed in the Combined Authority Constitution but briefly comprise of:

- **Head of Paid Service:** The Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and act as the principal advisor to the Business Board.
- **Section 73 Officer:** The Chief Finance Officer fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds ~~under the Cambridgeshire and Peterborough Investment~~ for which the Cambridgeshire and Peterborough Combined Authority are responsible.
As set out in paragraph 3.3.54, in order to provide an independent secretariat to the Business Board the Combined Authority's Section 73 Officer delegates responsibilities in relation to the Business Board to their deputy, referred to as the Business Board Section 73 in this document.
- **Monitoring Officer:** The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the legal duties of the Combined Authority and Business Board.
- **Scrutiny Officer:** To promote the role of and provide support to the Overview and Scrutiny Committee.

3.7.2 In addition to these statutory roles the Combined Authority has nominated officers to ensure that we meet our obligations under the Data Protection Act 2018 and information governance. These are: Item 4

- **Senior Information Risk Officer (SIRO)** - The Monitoring Officer is the SIRO for Information Governance. The SIRO is responsible for the Strategy, acts as an advocate for good practice and is required to provide a statement of assurance as part of the Combined Authority's Annual Governance Statement.
- **Data Protection Officer – The Deputy Monitoring Officer** is the Data Protection Officer responsible for providing advice and guidance on the Data Protection Act 2018.

4. Accountability and Transparent - Supporting Policies and Procedures

4.1 Working Arrangements, Meeting Frequency and Transparency

- 4.1.1 The Combined Authority is subject to a robust transparency and local engagement regime. The Combined Authority's Constitution includes how agendas, minutes and papers will be made available to the public and when.
- 4.1.2 The Combined Authority Board:
- Is subject to the Transparency Code applied to local authorities.
 - Will ensure all meetings of the Combined Authority Board and other statutory committees are open to the public and appropriately accessible.
 - Will make sure all meeting agendas, papers (when not exempt or confidential as set out in the transparency rules within the Constitution), and minutes are published on the Combined Authority website, within the minimum statutory timescales – an agenda will be published five clear working days before the meeting. ~~A decision notice~~ Decisions made at a meeting will be published 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 ~~and any key decisions are subject to call in~~. Draft minutes will be published within 12 clear working days of the meeting taking place and final minutes within two clear days of approval where changes are made.
 - All Decision Notices will be published in line with statutory requirements and any key decisions are subject to call in.
 - Will make clear the approach to making investment decisions in the Combined Authority Constitution.
 - Will publish (online) all funding decisions, including funding levels through Business Board and Combined Authority agendas and minutes and through the ~~mayoral~~ Mayoral and ~~officer decision notice~~ Officer Decision Notice register where decisions are taken under delegated powers.
 - Growth fund updates are submitted to the Business Board at each meeting. The Combined Authority has a performance management system which includes quarterly reports to the Combined Authority Board on delivery of key priority projects in the Business Plan by exception and monthly budget monitoring updates.
 - As the accountable body for the Business Board funding, the Combined Authority Board will review and ratify funding decisions made by the Business Board for legality and value for money and will hold a record of all relevant documentation relating to government funding allocated to the area.
- 4.1.3 For ease of access the Combined Authority website has a transparency section and a separate meetings section which contain all information on the Combined Authority governance arrangements, agendas and papers and the Combined Authority Board Forward Plan.

4.1.4—The Combined Authority Board meets ~~every month~~bi-monthly. The Combined Item 4 Authority publishes a Forward Plan on the Combined Authority website, which is legally--required with a statement of all key decisions together with all non-key decisions we plan to take over the next four months. Confirmed items are published 28

4.1.4 ~~clear~~ days in advance of a decision being made.

- 4.1.5 In addition to the Combined Authority Board, the Business Board meets bi-monthly. The Business Board shall have at least one meeting a year that will be open to the public to ensure the communities that they represent can understand and influence the economic plans for the area.
- 4.1.6 No business may be transacted at a meeting of the Business Board unless there is a quorum. The quorum requires a majority of the total number of Members of the Board to be present which should include the majority of private sector members and at least one public sector member.
- 4.1.7 All other meetings of the Business Board shall not be open to the public unless determined otherwise by the Chair. This enables commercially confidential items to be discussed and for open and frank exchanges of information and views to be expressed that might not otherwise be expressed in an open forum. This forms an important element within the Combined Authority governance arrangements.
- 4.1.8 Agendas and reports will be published ~~five~~⁵ clear days prior to the meeting and minutes of these meetings will be published on the ~~its~~ website within ~~10~~¹² clear working days of the meeting and the agreed minutes will be published within ~~two~~² clear working days after approval at the subsequent meeting.

4.1.9 Information regarding activity being undertaken by the Combined Authority is available on the website. This includes the publication of key documents such as the CPIER and the Mayor's ~~growth ambition statement~~Growth Ambition Statement, the Cambridgeshire and Peterborough Business Plan ~~2019-2020~~, ~~and~~ the Combined Authority Local Assurance Framework, as well as details of ~~the~~ regular programme of events to provide ongoing engagement with public and private partners across the Cambridgeshire and Peterborough area. Regular news updates on activity underway are also provided through dedicated pages on social media outlets including LinkedIn, Twitter and Facebook. Additionally, when investment decisions are taken, they are published through the use of press releases and social media.

~~4.1.9~~

4.2 Publication of Financial Information

- 4.2.1 The Combined Authority is subject to the same financial arrangements as a Local Authority and is legally required to publish its annual accounts, external audit letter and annual governance statement by the end of July each year. The draft statement of accounts is signed by the CPCA S73 Officer and published (on the Cambridgeshire and Peterborough Combined Authority website) by 31st May. The final set of financial statements are signed by the CPCA S73 Officer and the Chair of the Audit and Governance Committee and published by the 31st July.
- 4.2.2 The Annual Governance Statement will be published in draft by 31st May, and the final version to be signed by the Mayor, the Business Board Chair and the Chief Executive and published by 31st July. The Audit and Governance Committee approves the statement of accounts and reviews the Annual Governance Statement prior to approval, in accordance with their terms of reference.
- 4.2.3 It is also used as part of the Annual Conversation each year, to supplement the information provided and discussed on governance arrangements.

~~4.2.4~~ All payments made on behalf of the Business Board are published in the monthly Item 4

4.2.4 transparency report by Cambridgeshire and Peterborough Combined Authority. ^{Item 4}

4.2.5 All approvals for new funding are ~~now~~ published and monitored. The quarterly return to Government on Growth Fund projects, spend and performance is reported to Business Board and published in the reports, as part of the Business Board agenda. These ~~have now also been~~are uploaded on the Business Board section of the website ~~and will continue to be published going forward~~ to increase transparency.

4.2.5

4.3 Remuneration and Expenses

4.3.1 Allowances or expenses may be payable to the Mayor and any of the Business Board members, in accordance with a scheme approved from time to time by the Cambridgeshire and Peterborough Combined Authority Board upon the recommendations of an Independent Remuneration Panel.

4.3.2 The Combined Authority publishes the following information on its website: Transparency

- Confirmation of the allowance payable to the Mayor and Business Board members.
- Confirmation of any allowances and expenses paid to the Mayor, Business Board Members and independent Chairs of Committees or Panels (published annually).
- Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over £50,000, in bands.

4.3.3 Any scheme of allowances approved for Business Board members and payments made will also be published.

4.4 Freedom of Information

4.4.1 The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental ~~Impact~~Information Regulations 2004. As Accountable Body for the ~~Local Enterprise Partnership~~Business Board, the Combined Authority will also fulfil these functions on behalf of the Business Board. The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation. As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary. A publication scheme is on the website and answers to previous requests are also published on the website. CPCA Freedom of Information Policy

4.5 Conflicts of Interest

4.5.1 The Combined Authority has a Code of Conduct which applies to all members of the Combined Authority, the Business Board, all committee members and the officers who form part of any decision-making body e.g. the Chief Executive.

The Code of Conduct requires all those identified to avoid any conflicts of interest. Item 4

~~4.5.2~~ Each member of the Combined Authority is also required to complete a written declaration of interest for the purposes of their organisations and their individual personal interests covering a broad range of activities/ownership. Individual

4.5.2 declarations of interest forms are completed annually following members' appointment at the Combined Authority annual meeting. Declarations of interest are requested at the start of each meeting and declared and recorded within the minutes. The registers of interests are updated, as appropriate, following each Combined Authority meeting. Item 4

Combined Authority Board Membership

Business Board Membership

4.6 Gifts

4.6 Gifts and Hospitality

4.6.1. ~~4.6.1~~ Any gifts and hospitality received by members and officers will be declared under the relevant members name and any declarations declared by members will be published on the website. ~~For example. Mayor Palmer: Declared Gifts and Hospitality. The register of gifts and hospitality~~ The register of gifts and hospitality declared by Business Board members is published under the governance page of the Business Board section of the website. All offers of gifts and hospitality of £~~50~~25.00 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and by no later than 28 days from the date of the offer) in a register held by the Combined Authority. A six monthly reminder will be ~~send~~sent to all members and officers. The Combined Authority also has a protocol on Gifts and Hospitality which applies to all members.

4.7 Complaints and Whistleblowing

4.7.1 If it is alleged that the Combined Authority is (a) acting in breach of the law, (b) failing to adhere to its framework, or (c) failing to safeguard public funds, complaints (from stakeholders, members of the public or internal whistleblowers) ~~are to be directed to the Combined Authority's Chief Executive or Internal Auditor~~ should be handled under the complaints policy.

4.7.2 The Business Board and the Combined Authority have adopted a confidential complaints procedure and whistleblowing procedure, which are both published on its website. Any complaints will be dealt with in accordance with its approved complaints process.

4.7.3 Where the Combined Authority cannot resolve the issue locally to the complainant's satisfaction, and the matter relates to the Cambridgeshire and Peterborough's Single Pot funding, the issue may be passed to the Ministry of Housing, Communities and Local Government ~~for Communities and Local Government~~ (MHCLG) or other relevant departments, such as the Department for Transport (DfT), as appropriate to the complaint in question. If the complainant is not satisfied with the response, they can raise it with the Local Government Ombudsman.

~~The above complaints and whistleblowing procedures are set out in detail at:~~

~~CPCA Complaints Policy~~

~~CPCA Whistleblowing Policy~~

4.8 Diversity Statement

- 4.8.1 As detailed previously the Combined Authority is fully committed to diversity and equality. The Business Board has a published Diversity Statement which explains how it looks to ensure diverse representation ~~at~~[available on the Business Board website.](#)
~~CPCA Business Board Diversity Statement~~

4.9 Government Branding

- 4.9.1 The Combined Authority is committed to meeting Government branding guidelines for projects in its Local Assurance Framework. This includes the branding guidance issued to LEPs for the Local Growth Fund. The correct branding and wording is used on the Business Board and subsidiary websites. Guidance will be produced for signage, social media, press notices and other marketing materials for every Government funded project.
- 4.9.2 A summary of the Governance framework and checklist is set out in Appendix 3.



5. Robust Decision Making

1.

5.1 Principles

- This section details the processes and procedures that are in place to ensure we make robust investment decisions with funds devolved to the Combined Authority. These are in addition to those identified within the Accountability, Openness and Transparency sections above. The processes and procedures will:

1.1.1.

- Achieve best value for money in spending public money/funds through the following
 - proposed investments will offer as a minimum 'high' value for money (VfM);
 - "high" VfM can be defined as a Benefit Cost Ratio (BCR) ensuring that is at least 2.0 for transport schemes (and accounting for significant non-monetised impacts and key uncertainties), schemes with lower VfM however can be considered under circumstances where there is evidenced:
 - strategic value all projects contribute to the objectives of national or regional significance by unlocking a strategic route network bottleneck within the region (for example a strategic road or rail network with significant constraints but unable to achieve a BCR due to lower flow increases against disproportionate cost due to Combined Authority via adherence to historical enhancement under investment (both of which have regional or national growth significance which is challenging to model and are unable to be claimed in TAG terms; or the Green Book principles, specifically -
 - allowing greater through flow of strategic passenger or freight traffic, or where there is evidenced strategic value associated with achieving the Devolution Deal ambitions of GVA or housing growth (for example providing main line rail access to support the growth of left behind areas); or
 - by unlocking this growth in addition to committed local plan growth, and where this evidence increases this to at least medium value VfM (BCR of at least 1.5 and accounting for significant non-monetised impacts and key uncertainties)
 - for non transport schemes, the appropriate public sector cost per job / Gross Value Added will be reviewed, and in all schemes the benefits will exceed the cost of intervention over the projected timeframe;
 - in exceptional circumstances, where the strategic value directly contributes to the ambition of the Devolution Deal ambition as set out in para 6.2.5 of this document; and
 - whereby sensitivity testing is undertaken in addition to Transport Analysis Guidance (TAG) standard procedures, schemes do not need to offer 'high' value for money as a minimum, if as described above there is evidence that the strategic value of significant regional or national importance of unlocking strategic passenger or freight movement through the region or there is evidenced strategic value associated with achieving the Devolution Deal ambitions of GVA or housing growth, by unlocking the growth in addition to

~~committed local growth and where this evidence increases the BCR to 1.5 to 2.~~

- Unless fulfilling a statutory requirement, all business cases must demonstrate a strong fit with the Combined Authority's strategic objectives as set out in the Devolution Deal, Growth Ambition Statement, and evidenced in the CPIER.
- Where there are relevant strategies approved by the Combined Authority the case must also demonstrate alignment to these. (e.g. Local Industrial Strategy, Local Transport Plan, Skills Strategy, Non-Statutory Spatial Framework)
- All business cases must clearly set out the key objectives of the project, how these contribute to the achievement of the Combined Authority's strategic objectives, as well as how these will be delivered and measured. Where a project is part of a programme the case must also set out how it fits in to that programme.
- At the Outline Business Case and Full Business Case stages, Benefit Cost Ratios (BCRs) will be calculated for the options being considered, including the do-minimum option, and the options will be presented alongside any unmonetisable benefits so that decision makers can see the additional costs of these benefits, and make an informed decision as to whether the cost is worth paying.
- Ensure an appropriate separation between project development and project appraisal, with Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m by our contracted business case assurance contractor. Transport schemes below £5m will be assessed and signed off independently of the scheme promoter by the Chief Finance Officer with support from an experienced transport modeller, where schemes are below £5m at Full Business Case (FBC) and are of significant complexity or importance ~~and not expected to achieve high VFM based on initial multi-criteria analysis~~ an independent assessment may be requested by the Chief Finance Officer from our contracted independent assessment supplier prior to sign off as previously stated.
- Appraise projects in a way which is consistent with the Green Book 'five cases' model and proportionate to the funding ask in terms of processes required.
- Ensure that the money spent results in delivery of outputs and outcomes in a timely fashion, and in accordance with the conditions placed on each investment, and by actively managing the investment to respond to changing circumstances (for example, scheme slippage, scheme alteration, cost increases etc).
- Implement effective evaluation to demonstrate where programmes and projects have achieved their stated aims and using feedback appropriately to refine the priorities and the decision-making process.
- Ensure that the use of resources is subject to the usual local authority checks and balances as well as normal local government audit, accounting and scrutiny requirements.

5.2 Separation of Development and Appraisal Functions

5.2.1 Separation of Development and Appraisal Functions

- 5.2.1 5.2.1 The Combined Authority ~~ensure~~ensures all funding decisions are based on impartial advice. Project Initiation Documents ~~and~~require approval by the CPCA S73 Officer and Chief Executive while Business Cases created by project managers require approval from Combined

Authority Board ~~and Directors~~ before commencing to project delivery.

5.3

5.3 Expressions of Interest/Open Calls

5.3.1 In relation to the Local Growth Fund, expressions of interest are received for potential funding under the Growth Prospectus, which is published on the Combined Authority website. 5.3.1
~~In relation to the Local Growth Fund, expressions of interest are received for potential funding under the Growth Prospectus, which is published on the Combined Authority website. The first call has now closed and the potential projects are going through the Business Board and Combined Authority Board cycle. A new call for funding will be issued in 2019/20, following the publication of the Local Industrial Strategy.~~ The **initial** appraisals **from thesefor** funding calls will be appraised by an internal panel, that evaluates expressions of interest, with inputs from the appropriate policy lead, legal, procurement and financial officers. When **full** applications are received, external appraisers will carry out detailed appraisals and, for projects over £500k, the project sponsor must present to an Entrepreneurs Assessment Panel and be scored which counts towards the overall assessment of projects upon which the Business Board considers projects for award of funding.

5.4 Project Initiation Documents (PIDs)

5.4.1 ~~Project Initiation Documents~~PIDs are required for all new programmes and projects and are used to identify the expected expenditure, outputs, governance and outcomes of project delivery.

5.4.2 Once approved during the weekly by the relevant members of the Senior Management Team (Responsible Director meetings, Section 73 Officer and Chief Executive Officer), the delivery of the project concept can proceed.

5.4.25.4.3 A PID is used to identify the expected expenditure, project governance, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager is required to develop.

5.4.4 The PID provides a first view of how, what and when the project will deliver against the Mayor's Growth Ambition Statement, the Local Industrial Strategy and the Business Plan. Detail such as the following will be included:

- The identified Project Manager.
- Project description including objectives and overview.
- Timescales (high level).
- Project outputs and outcomes against the CPIER and the Mayor's growth ambition statement.
- Cost of project (high level), and initial funding required.

the Project Initiation Document into the business case.

5.5 Business Cases

5.5.1 All programmes and projects with approved allocations within the Business Plan and that have been approved through the Project Initiation Document process are required to complete a detailed Business Case.

5.4.5 Business case templates are a continuation of the It is also during the PID stage where it is recommended a RACI Chart is first developed. From this stage, the internal Project Initiation Documents, but require more detail evidenced on the Manager must establish project roles and responsibilities. This will enable a clear escalation process where risks, issues and changes are reported appropriately.

5.5 Business Cases

5.4.35.5.1 Business cases are designed to enable delivery and are important because projects will only deliver their intended outputs and benefits if they are properly scoped, planned and cost justified from the outset. These Business Cases will require detailed evidenced on the options, designs, delivery and outcomes of the project, along with strategic fit and value for money information, project risks and governance arrangements to enable informed decision making.

5.4.4 Business cases would normally use the Combined Authority's template; however, some categories of projects may have specific business case templates (such as Transport schemes using Transport Analysis Guidance (TAG): <https://www.gov.uk/guidance/transport-analysis-guidance-webtag>). These should still comply with the Combined Authority requirements.

5.4.55.5.2 Some categories of projects may have specific Business Case requirements, but most Business Cases are procured externally. The Combined Authority has adopted HM Treasury's Five Case Model, and business cases need to be prepared according to the following elements:

Five Cases	Detail
Strategic Case	The strategic case sets out the rationale for the proposal; it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.
Economic Case	The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.

Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified.
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~~5.4.6~~5.4.3 Reputational due diligence assessment will also be carried out to enable the ~~combine authority~~Combined Authority to gain a comprehensive assessment of possible reputational risk ~~attached to business partner.~~

~~5.4.7~~ ~~External business cases are submitted to the Combined Authority, who review the funding source and provide an initial check as to which element of funding within the single pot would be most appropriate. As part of the financial case, the source of funding will be determined (as part of the review of business cases prior to submission to the Combined Authority or Business Board) and the CPCA S73 Officer (or BB S73 Officer where funding is from within the funds the Combined Authority holds as accountable body to the Business Board) will review the financial case to ensure that, where funding is required from internal Combined Authority sources, it is available and affordable within the Combined Authority's overall resources.~~ The purpose of this is to ensure that the funding requirements of the component elements of the Single Pot are being met, and to enable the effects and outcomes of

5.4.4 the component elements of funding within the Single Pot to be tracked.

5.4.85.4.5 Appraisals will be proportionate to either the estimated scale of budget and/or the level of innovation/risk associated with the programme and in line with established guidance, where appropriate, as set out by HM Government, including:

- HM Treasury Green Book.
- MHCLG Appraisal Guide.
- HM Treasury Magenta Book.

5.4.95.4.6 Where a conflict of interest exists, full independent due diligence will be sought. Additionally, the Combined Authority will appoint an independent organisation, through appropriate procurement, to undertake external due diligence when required. The independent organisation works directly with the project applicant to undertake due diligence which then follows the decision-making process.

5.4.105.4.7 In cases where the investment is to match central government funding, and that government department has undertaken due diligence, the Combined Authority would not need to undertake its own due diligence.

5.4.115.4.8 The Combined Authority will include reputational checks on organisations (and their group structure including parent organisations), when considering making loans and grants.

5.4.125.4.9 The Combined Authority's 10-point guide on Project Management (~~Appendix 4~~) provides detail on this decision-making process.

5.6 Relationship with Project Managers – Development to Decision

5.6.1 Throughout the development of ~~Project Initiation Documents~~PIDs and Business Cases through the appraisal process, the Combined Authority will keep in regular contact with external project managers.

5.6.2 An internally named project manager will be assigned to each programme/project where the Combined Authority are not the delivery body. The internal project manager will establish close working relationships ~~will~~with external contacts.

5.7 Ensuring Value for Money

5.7.1 As an investor of public funds, the Combined Authority has a responsibility to ensure that its decisions deliver best value for the ~~tax payer~~taxpayer, and therefore all investment opportunities and ~~business cases~~Business Cases must include an assessment of ~~their~~ Value for Money. The Assurance Framework has been developed in line with HM Treasury Green and Magenta Book Guidelines, which require project managers to build in Value for Money processes throughout the approval stages. In addition, the Combined Authority requires all ~~business cases~~Business Cases be developed in line with HM Treasury's Five Case Model.

5.7.2 The delivery, and costs, of outputs must be quantified within all applications for funding. Where there are clear guidelines set out by Government for assessing Value for Money these will be taken into account; for example, for all Transport and Infrastructure schemes, the use of the

benefit cost ratio (BRC) indicator is implemented in line with DfT TAG guidance.

- 5.7.3 The Director responsible for project delivery should document they are satisfied with Value for Money requirements. The Section 73 Chief Finance Officer is also required to sign off Value for Money Statements.

5.7.4 The key objective of the Assurance Framework is to support the Combined Authority to make judgements about the value for money of potential investments and to accept or reject investments accordingly. However, it is just one of a range of complementary strategic guidance documents developed by the Combined Authority to inform decision making. The following table sets out the relevant assessments for all complementary strategic guidance:

Document Name	Function	Date Published
CPIER and the Mayor's growth ambition statement <u>Growth Ambition Statement</u> 2016-2026. The Industrial Strategy for Cambridgeshire and Peterborough	<ul style="list-style-type: none"> Key strategy document for the region. Sets high level targets (jobs and GVA) for the Combined Authority and develops the rationale for intervention across the region (six themes and seven priority sectors) 	November 2018
Local Industrial Strategy	<ul style="list-style-type: none"> With a particular focus on productivity the Local Industrial Strategy articulates how the region and its priority industries will contribute to the successful delivery of the UK Industrial Strategy and the key interventions necessary to enable productivity growth in Cambridgeshire and Peterborough. 	May 2019 (pending)
<u>Skills Strategy</u>	<ul style="list-style-type: none"> <u>The devolution of some of the skills functions alongside the Adult Education Budget to the CPCA frames the impetus for the Skills Strategy. With a holistic approach being taken to increasing productivity and to growing the social and economic well-being of the local communities, the Skills Strategy and high-level delivery plan have been aligned to the Local Industrial Strategy and the Cambridgeshire and Peterborough Independent Economic Review (CPIER) and its recommendations.</u> 	<u>June 2019</u> <u>(update planned for June 2021)</u>
<u>Housing Strategy</u>	<ul style="list-style-type: none"> <u>Sets out a new, ambitious and flexible approach to accelerating building rates and making homes more affordable in order to help tackle the severe shortage of housing of all types across Cambridgeshire and Peterborough.</u> 	<u>September 2018</u>
<u>Local Transport Plan</u>	<ul style="list-style-type: none"> <u>Sets out the vision, goals and objectives that define how transport will support the Combined Authority's Growth Ambition, and our approach to meeting these objectives.</u> 	<u>February 2020</u>
<u>Non-Statutory Spatial Framework</u>	<ul style="list-style-type: none"> <u>Sets out strategic planning principles to shape growth to make the economy more inclusive and sustainable, while strengthening communities and enhancing quality of life.</u> 	<u>Phase 1 2018,</u> <u>Phase 2 ongoing.</u>
<u>The Business Plan</u>	<ul style="list-style-type: none"> Sets output targets both in terms of spend 	January 2019 <u>Updated annually</u>

Monitoring and Evaluation Plan	<ul style="list-style-type: none"> Provides for each theme a capital and revenue logic model including key market failures to be addressed, and a range of indicative activities, outputs, outcomes and impacts, tied back to the achievement of the key performance indicators specified in the SEP-Local Industrial Strategy. 	March 2019 {updated <u>Up</u> dated annually}
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5.8 Value for Money for Transport Schemes

5.8.1 For transport infrastructure schemes, the Cambridgeshire & Peterborough Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.

5.8.2 Furthermore, the Cambridgeshire & Peterborough Combined Authority will ensure value for money and transparency of transport scheme through the following:

- Transport ~~Projects~~Project Business case assessments [Strategic Outline Business Cases (SOBC), Outline Business Cases (OBC) and Full Business Cases (FBC)] will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). We will also consider alternative planning assumptions, **which are in line with our devolution ambition** ~~in addition to committed local plan developments~~, as sensitivity tests in coming to a decision about whether to approve a scheme.
- The appraisal and modelling will initially be scrutinised by our external Highways Authority delivery partner planning lead to ensure it has been developed in accordance with the TAG. Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m will be carried out by our contracted business case assurance contractor. Single Pot funded transport projects with a value below £5m will

- be considered on a case-by-case basis and in cases of strategic impact or project complexity, an independent value for money statement will be undertaken on a proportionate and appropriate basis.
- ~~The Combined Authority will make proportionate and appropriate assessments of all business cases to ensure that any scheme below High VfM (BCR below 2, and accounting for significant non-monetised and key uncertainties), has evidenced strategic value, either to the benefit of achieving advancement of the devolution ambition, economically or housing, or national or wider regional importance for unlocking strategic passenger or freight movement through the combined authority region~~
Business Cases to ensure that all schemes achieve value for money by demonstrating a strong strategic fit and measurable, achievable and relevant objectives.
The Combined Authority will endeavour to always maximise value for money with public funds. Where the rationale for this departs from a simple case of selecting the highest BCR of the shortlisted options the unmonetisable benefits, or unquantifiable uncertainties will be set out to justify this.
- The Combined Authority acknowledges that there may be cases when the best value way of delivering a project in order to achieve its strategic objectives may have a BCR which is not as strong as the BCR of alternatives which do not align as clearly with the Authority's strategic objectives set out in key policies including the Local Transport Plan. Despite this, it is then for the Combined Authority Board to make a judgement on whether the achievement of those strategic objectives is worth the cost to the Combined Authority.
- The Combined Authority's Chief Finance Officer will ~~assess and either approve or reject~~sign off all Value for Money statements undertaken whether in the form of a business case or an independent assessment. Decisions will be taken appropriate to scheme phase and greater scrutiny and emphasis on ~~High~~ VfM will be undertaken as schemes progress through the SOBC, OBC and FBC process, with greater scrutiny of FBC VfM.
- **Business case publication is notified up to 3 months in advance within the Forward Plan, published on the Combined Authority website and then published as part of submission for decision approval at the Business Board and subsequent Combined Authority Board, before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders are made available to relevant members or boards of either Business or Combined Authority Boards when decisions are being taken. The Forward Plan is formally approved at each monthly meeting of the Combined Authority Board and Business Board.**

5.9 Project Approval – Funding Agreement

5.9.15.8.2 For projects being delivered by an external organisation, funding agreements or formal legal contracts will need to be put in place before delivery commences. These agreements are important in setting out project monitoring and evaluation requirements, claims/invoice profile

and setting out main tasks and responsibilities, including key conditions of the funding. This information is also recorded throughout the project lifecycle through a RACI chart. Agreements/contracts also set out the recovery and/or clawback arrangements in the event of non-compliance, mis-representation, underperformance, mismanagement and/or a failure to deliver an outcome. Any variations to these funding agreements/contracts must be signed off and approved by the Combined Authority.

5.9.25.8.3 All Growth Fund schemes, and any other funds delegated to the Business Board, such as Getting Building Fund, will have a funding agreement that sets out the outputs that are required and the schedule of payments that are to be paid. These are examined at each point in the claim.

5.9.35.8.4 Following approval of a Business Case it may be necessary to complete a range of statutory processes to ensure the project is ready to start/continue to the next stage. For example, planning permission or a Compulsory Purchase ~~Orders.~~Order. National and local S106 requirements will be followed when gaining planning permission. It may also be necessary to satisfy a number of conditions agreed as part of the Business Case appraisal. Due diligence of such processes/conditions will then be carried out as required prior to the Combined Authority issuing a formal legal contract.



5.6. DELIVERY PHASE

5.16.1 Release of Funding, Cost Control and Contract Management

- 6.1.1 Once a formal funding agreement/contract is in place the programme/project enters the delivery phase.
- 6.1.2 The Combined Authority's Section 73 Officer must certify that funding can be released under the appropriate conditions.
- 6.1.3 Funding claims submitted to the Combined Authority are checked against the approved project baseline information, which is included within the original funding agreement/contract. Payments will be released quarterly in arrears unless otherwise agreed.
- 6.1.4 A mechanism for 'claw-back' provision is to be included within the funding agreements/contract to ensure funding is ~~only to be spent~~ only on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project manager and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority.

6.2 Performance Reporting

~~6.2.1 Projects funded by the Combined Authority (regardless of size) will incorporate the Monitoring and Evaluation Framework and will have a basic monitoring plan in place as part of the business case. Further information on this can be found in the 10 point guide on Project Management. (Appendix 4)~~

~~6.2.2~~ 6.2.1 A monthly highlight report cycle has been created and embedded across the organisation. Projects which fall under the ~~Business Board and~~ Combined Authority Board are required to have monthly reports completed, updating on budget spend and performance against key milestones and outputs/outcomes. There is also a monthly highlight report which monitors spend against Local Growth Funding and Getting Building Funding.

~~6.2.3~~ 6.2.2 Highlight reports also contain risk registers for each project, where project managers track and monitor key risks (and assign a named individual of appropriate seniority against each).

~~6.2.4~~ 6.2.3 Using information from these monthly highlight reports, a monthly dashboard report is created, pulling together the key information from all projects across the Combined Authority Directorates. This information is ~~scrutinised on a monthly basis by~~ shared with Members of the Directors and the PMO team Corporate Management Team once a month.

~~6.2.5~~ Once a quarter, ~~an exception report is created and includes information on the amber and red rated projects. This report is shared with Combined Authority Board Members, along with a Quarterly Performance Update~~ Report is taken to the Combined Authority Board meeting and provides detail on how the Combined Authority is performing against the following key metrics and targets:

- ~~Doubling GVA over the next 25 years~~
- ~~72,000 homes to be built by 2032~~
- ~~2,500 affordable homes to be built~~
- ~~Jobs growth~~



- Apprenticeships

• 6.2.4 ~~Good job~~ within 30minute commute of home the Devolution Deal:

- Prosperity (measured by Gross Value Added or GVA)
- Housing

Jobs

-
- 6.2.5 The Performance Report also details the RAG status of key projects, taken from the monthly highlight reports process.
- 6.2.6 ~~Growth fund and~~ In addition to this performance report, an exception report is created from the amber and red rated projects and shared with Combined Authority Board Members.
- 6.2.7 Project Managers are also required to complete monthly finance reports for each of their projects, which provides a detailed overview of the year-to-date actual spend, budget and a full year forecast. This links with the highlight report process, to ensure an accurate picture of project delivery is captured. The finance reports enable effective forward planning of expenditure, with future year budgets included which are discussed between Project Managers and Finance Managers and fed into the Budget Monitoring Reports which are a standing item at the Combined Authority Board. This report also allows costs to be split between spend to date and future spend forecasts, allowing baselining of costs.
- ~~6.2.6~~ 6.2.8 Strategic funds investment update reports that cover Local Growth fund and Getting Building Fund are also submitted to every meeting of the Business Board and will be published on the Business Board section of the website.
- ~~6.2.7~~ Aligning with the quarterly updates to Combined Authority Board, 'Critical Friend' clinic sessions are arranged by the PMO team, where project managers and Directors are invited along to review the status and performance of projects.
- ~~6.2.8~~ 6.2.9 All funding agreements/contracts with external bodies will include reporting guidelines as specified in the Monitoring and Evaluation Framework.

6.3 Risk Management

- 6.3.1 The Combined Authority has developed a risk management approach ~~to~~for corporate, portfolio, programme and project level as set out in the Risk Management Strategy published on the Combined Authority website. Within our strategy, with it manages risk identification, mitigation, escalation and reporting templates guidance.
- 6.3.2 It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests.
- 6.3.3 The corporate risk register which incorporates the risks will be reviewed monthly by the ~~Combined Authority Director team~~Corporate Management Team and will be considered by the Audit and Governance Committee quarterly. ~~We corporate risk register and a project register, and a~~The Combined Authority's risk strategy includes a hierarchy of risk registers: Project, Programme, Portfolio and Corporate, risks can be escalated up through these levels where required.
- 6.3.4 Senior Officers of the Combined Authority (Chief Executive and CPCA S73 Officer) are responsible for the identification and management of risk. ~~The Combined Authority has an Assurance Manager, to support this activity.~~

- 6.3.5 At the project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight reports. Where applicable, external partners are also encouraged the Combined Authority's risk register template.

6.4 Change requests and funding clawback

- 6.4.1 All early warnings and project change requests must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded within the performance highlight reports.
- ~~6.4.2 Project change request forms should be used when approval is higher than that of a Director and for changes which include the following:~~
- 6.4.2 All project changes must receive written approval from the named Director responsible for the project, or the CPCA Project Board where one exists. The Director for Business and Skills has delegated authority to SROs, within this directorate. This is found within Appendix 1 of the Relationship between Risk and Change Control document.
- 6.4.3 When a change request requires an increase in funds outside of the MTFP allocation, this change request will need to follow the appropriate Committee and or Board approval.
- 6.4.4 Approval will be required for:
- RAG rating change in the Highlight Report
 - Changes of project scope
 - ~~• Changes to timescales (ie delay to completion date)~~
 - ~~• Amendments~~ Amendment to budget (within the MTFP allocation)
 - ~~• Variations to outputs delivered~~
 - ~~• Withdrawal of a project~~
 - ~~• Agreed mitigation/action arising from RAG~~
- ~~6.4.3~~ 6.4.5 Directors are responsible for agreeing change requests within delegation and promoting change requests outside their delegation. Where there is a project board on which the Director sits, the Project Board may also agree change requests within its delegations.
- 6.4.6 Clawback In relation to funding controlled by the Business Board, any change requests should be taken to the Business Board for recommendation to Combined Authority Board.
- 6.4.7 Business Board recommendation will be required for:
- Changes of project scope (from original awarded scope)
 - Changes to timescales (beyond a month to milestones)
 - Amendment to budget (outside of the original funding award)
 - Variations to outputs delivered (as agreed in Grant Funding Agreement)
 - Withdrawal of a project

- 6.4.8 Project change requests that do not constitute a material change can be approved by a Director or the Chief Officer to the Business Board.
- 6.4.9 The tolerance thresholds that constitute a material change are defined in relation to spend targets, variance control and change control within individual projects and programmes. But generally, a 10% variance will be permitted in any one reporting period. More than 10% variance on spend and delivery targets will trigger a review by the Business Board. In respect of timeline of project milestones, a variation of up to one month is permissible if agreed by the Chief Officer to the Business Boards, -in writing but beyond a month is considered a material change requiring Business Board recommendation for approval.
- 6.4.10 Funding clawback and recovery processes for under-performing projects need are clearly addressed in the funding agreement/contract. Agreements
- 6.4.11 The Business Board is responsible for decisions around withholding, suspending and/or paying back of awarded funds. In some instances, as a result of project review and monitoring it will be determined that a project is not going to spend its Business Board funding allocation or there will be an issue with eligibility or relevance of spend against contract which requires a claw back of funds.
- 6.4.12 Funding agreements or contracts relating to financial awards granted through programmes offered by the Business Board, determine the circumstances under which funds might be withheld, suspended and/or clawed back. Project applicants agree to monitor the delivery of their projects, reporting back regularly, to ensure that the outputs and outcomes are being reviewed to make it clearer what the recovery action met and that the terms of the Agreement are complied with.

~~will be.~~

6.4.13 The Business Board's role in recovering funding where there Board will undertake interim or post completion checks to confirm that the grant has been ~~one~~ used as per the approved purposes and will investigate any projects in the event of non-compliance, ~~misrepresentation or mis-representation~~, underperformance, mismanagement and/or a failure to deliver an output and/or outcome.

6.4.14 On request the applicant must provide the Business Board with such information, explanations and documents as may reasonably be required in order to facilitate monitoring and/or to establish the terms of their Agreement have been complied with.

6.4.15 No financial claim shall be paid unless and until the Business Board and/or the Combined Authority are satisfied that such payment is due under the terms of the ~~project funding a~~Agreement. An applicant may be required to pay back all or part of the funding in the following circumstances;

- Cases involving breach of UK Subsidy law
- Failure to comply with the agreement or contract
- Cases involving fraud, prohibitive acts, illegal or unlawful activity or actions, dishonesty and/or negligence
- Misleading the Business Board/Combined Authority
- Undertaking activity which could affect reputation of the Business Board or Combined Authority
- Failure to make satisfactory progress, or failing to achieve an output and/or outcome
- Cases where the grant was used for purposes other than those intended (such as ineligible expenditure).

6.4.16 There may be instances where recovery or clawback is required against assets, The Business Board/Combined Authority may seek to recover funding against assets by legal process but in the first instance preferably through cooperation of the applicant/grant beneficiary on disposal assets to achieve repatriation of all or part of the original grant value. The Combined Authority reserves the right to pursue legal claims against grant applicants and grant beneficiaries under the terms of the grant agreement/contract and this includes any assets.

6.4.17 The Combined Authority in its capacity as the Accountable Body will:

- ensure that all decisions regarding public funds are made on merit having taken into account all the relevant information available at the time.
- compliance to EU state aid and UK subsidy rules in all cases where this may apply and to take legal advice where necessary, ensuring that all decisions are recorded and reported
- ensure that all funding agreements reflect the conditions that need to be placed on any grant and that these conditions are upheld

- ensure that recovery and/or clawback is enforced where non-compliance, misrepresentation, underperformance or mismanagement or a failure to deliver has occurred and where this is appropriate but only when other options have been exhausted by the Business Board and Officers to enable delivery and the Board have agreed this cause of action, following detailed reports and legal advice
- to retain copies of all related documentation for Local Growth Funding and any other government funding delegated to the Business Board and to ensure that the Business Board is retaining the complete record
- ensure that this Assurance Framework and the National Assurance Framework as approved by Government is adhered to in relation to any Recovery or Clawback.
- maintain the official record of recovery and/or clawback proceedings and holding all related documents.
- review that the Business Board's decisions are lawful and that suitable legal advice has been obtained by the Business Board or Officers, also that the correct processes have been followed
- At its discretion undertake any of the clawback/recovery actions as outlined instead of the Business Board

6.5 Monitoring & Evaluation

6.5.1 The Combined Authority's Monitoring and Evaluation Framework sets out when and how programmes and projects are reported.

6.5.2 Project managers are responsible for identifying, at the initiation stage, what their project is to deliver. All projects must have a logic model created to detail this and more information can be found in the Monitoring & Evaluation Framework.

6.5.3 Evaluation plans are created when the project is nearing the construction/delivery phase and will be proportionate and in line with the latest government department guidance where relevant. For example, all transport schemes (over £5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes.

6.6.1. The Combined Authority will identify the projects that will be subject to a more detailed evaluation. The level of evaluation will depend on the following questions:

- A) Is the project funded through Investment funding (in the CPCAs' case the core agreement with central government to devolve £20m per year over 30 years) or Transforming Cities Funding. If so, it is subject to the agreed independent national evaluation framework.

6.4.5• B) Is the project funded through other streams and identified as being



developed 'key' in terms of the expected benefits to be achieved. If so, it is subject to a full independent evaluation commissioned by the CPCA.

C) Is the project identified as one where significant learning is available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered 'pilots'.



- If so evaluation work in this case would be either be commissioned independently or carried out locally within the public sector.
 - D) Other projects not included above would be subject to minimal 'self-evaluation' based on submitted business cases. The funding partner may be responsible for this.
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6.7. Measuring Success – Realising the Benefits

6.17.1 The Importance of Monitoring and Evaluation

- 7.1.1 The Combined Authority and the Business Board (LEP) is committed to implementing effective monitoring and evaluation so that it is able to:
- **Provide local accountability to the public** by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
 - **Comply with external scrutiny requirements** ~~ie i.e.~~ to satisfy conditions of the Devolution Deal. Specifically, the Monitoring and Evaluation Framework will be used to demonstrate local progress and delivery to senior government officials and Ministers who are ultimately accountable to parliament for devolved funds.
 - **Understand the effectiveness of policies or investments** and to justify reinvestment or modify or seek alternative policy. The Monitoring and Evaluation Framework provides a feedback loop for the Authority and relevant stakeholders. This includes performance measurement on the impact of outcomes from specific funding programmes which the Combined Authority is the Accountable Body, for example Local Growth Funds.
 - **Develop an evidence base for input into future business cases** and for developing future funding submissions. The Monitoring and Evaluation Framework will collect, collate and analyse data which can be utilised for future work and especially in relation to economic impact of particular interventions creating 'benchmarks'.
- 7.1.2 The Combined Authority Monitoring and Evaluation Framework was initially prepared in relation to the Combined Authority's ~~devolution deal~~ Devolution Deal monitoring and evaluation requirements. However, the approach set out in the Framework will be utilised for all sources of funding within the Cambridgeshire and Peterborough Business Plan, accepting that some government departments will have slightly different requirements which will be met. The Framework builds on the National Evaluation Framework for devolution funds, prepared by SQW and agreed with devolution areas and government.
- 7.1.3 The Business Board ~~will be asked to co-opt~~ has also adopted this Monitoring and Evaluation framework, as the Governments published guidance requires the Business Board to reference their monitoring and evaluation arrangements as well. This includes for example specific plans using the framework to deliver monitoring and evaluation work for key Business Board programmes.
- 7.1.4 The overall responsibility for monitoring and evaluation (the Monitoring and Evaluation framework) and execution of the activity associated with it is held at director level at the Combined Authority, within the post of Strategy & Assurance Director- Delivery and Strategy. The Combined Authority has agreed a contract with Cambridgeshire County Council (part of the wider Cambridgeshire Insight partnership) to provide an appropriate level of officer support on Monitoring and Evaluation, including local knowledge, expertise and supporting capacity. For Local Growth Fund programme it was agreed to utilise an additional contractor to undertake the evaluation work on the Local Growth Fund evaluation plan phase one.



- 7.1.5 The Combined Authority's approach uses the Magenta Book definition of monitoring and evaluation and makes use of the wider guidance within this document as complementary guidance to the HM Treasury Green Book.
- 7.1.6 The Combined Authority major projects will have logic models.
- 7.1.7 Lessons learnt from evaluations will be reported to the Business Board and Combined Authority Board as appropriate.

7.2 Programme and Project Monitoring

- 7.2.1 Funding agreement/contracts set out the programme or project spend and output profile together with the monitoring arrangements (financial, benefits and risk).
- 7.2.2 Monthly highlight reports are completed by project managers on all live projects ~~and provide updates on the performance of projects.~~ These reports are reviewed by ~~directors at their monthly Director meetings and quarterly, during the 'Critical Friend' clinic sessions~~ members of the Corporate Management Team.
- 7.2.3 Project finances are reported as a standing item to relevant Executive Committees, and the Combined Authority Board, as part of the overall budget monitoring report.
- ~~7.2.3~~ 7.2.4 Any changes or variances to the spend profiles or key milestones will need to be reported by the Project Manager and approved by the Combined Authority. On approval a variation letter to the Funding Agreement/contract will be issued.

~~7.3 Project Evaluation~~

- ~~7.3.1 The business case clearly defines those outputs which may be captured through routine monitoring.~~
- ~~7.3.2 The Monitoring and Evaluation framework sets out when and how programmes and projects are reported.~~
- ~~7.3.3 Evaluation forms are a requirement of the project closure process, and project managers are responsible for identifying at the inception stage what their project is to deliver. Detailed evaluation requirements are also a requirement of the project closure form.~~
- ~~7.3.4~~ ~~6.1.~~ Evaluation plans will be proportionate and in line with the latest government department guidance where relevant. For example, all transport schemes (over £5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes.
- ~~7.3.5 All monitoring and evaluation arrangements (which will form part of the final business case) and interim and final monitoring and evolution reports, will be published on the CP Combined Authority website.~~
- ~~7.3.6 The Combined Authority will identify the projects that will be subject to a more detailed evaluation. The level of evaluation will depend on the following:~~
- ~~• Project funded through growth funding (in the Combined Authority's case the core agreement with central government to devolve £20m per year over 30 years). Therefore, subject to the agreed national evaluation framework, independent evaluation led by SQW Ltd.~~
 - ~~• Projects funded through other streams and identified as being 'major' in terms of the relative size of the funding and/or the expected benefits to be achieved. Therefore, subject to full independent evaluation commissioned by the Combined Authority (an example would be evaluating the effectiveness of projects commissioned under the £100m affordable housing fund).~~
 - ~~• Project identified locally as one where significant learning could be available that would help to inform future policy making either locally or nationally. This will include projects that are~~

~~innovative or considered 'pilots' Evaluation work in this case would be either be commissioned independently or carried out locally by the Research Team for Cambridgeshire County Council.~~

~~7.3.7 Other projects not included above subject to proportionate 'self evaluation' based on submitted~~

~~business cases.~~

7.47.3 Adult Education Budget Monitoring and Evaluation

~~7.4.17.3.1~~ The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process. ~~They will continue to be updated and will be published more broadly during the academic year 2019/20.~~

~~7.4.27.3.2~~ The Combined Authority's Monitoring and Evaluation Framework (detailed above) will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation ~~will be~~ has been undertaken ~~after year 1 academic year 2019/20 delivery~~ and completed ~~by December 2020~~ in January 2021. It ~~will meet~~ meets the national requirements as set out in the National Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards.

~~7.4.37.3.3~~ The Combined Authority has agreed with the Education & Skills Funding Agency a formalised approach for Audit, Assurance, Fraud and Investigations for ~~2019/20~~. ~~This agreement provides support for both parties in ensuring AEB service provision post devolution~~ the first year of devolved delivery in 2020/21, known as Year 1. The Combined Authority will be responsible for auditing all training providers and colleges on the adult education budget funding stream in our region from April 2021, known as Year 2.



7.8. Appendix 1 - Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement

Advisory and challenge function:

The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) 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.

The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.

The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board ensuring that the business view is at the centre of regional decision making.

The role of the Business Board as stated within its terms of reference is:

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.

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 for LEPs 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 business, opinion formers and policy makers at a national and international level in promoting economic growth in the region.

(Business Board constitution)

By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.

Alignment of decision-making across a clear geography:

The Mayoral Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017 (with the first Mayoral election held in May 2017) to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. Its geographical boundary covers seven constituent local authorities in the Cambridgeshire and Peterborough area.

The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. The Business Board currently covers 15 local authorities;

As part of a full regional governance review, the Department for Business Enterprise and Industry are considering proposals to align the Business Board boundaries with the Cambridgeshire and Peterborough Combined Authority to ensure close working and delivery of economic growth projects across Cambridgeshire and Peterborough.

The integrated officer structure ensures that the relationship between the Combined Authority and Business Board is strong and effective. All governance policies and procedures are aligned ensuring transparency and open and accountable decision making.

Accountability:

The accountable body for all Local Enterprise Partnership funding is the Cambridgeshire and Peterborough Combined Authority. It provides the accountable body role for the both Business Board, the multi LEP Agri-Tech programme and the Greater South East Local Energy Hub and employs the



officers that support them. The Combined Authority will ensure the effective use of public money and

have responsibility for the proper administration of funding received and its expenditure, and must also review and approve the financial framework.

The Combined Authority Board approves funding decisions upon the recommendation of the Business Board except where delegations have been approved. The BB S73 Officer signs off all funding decisions taken by the Business Board prior to their presentation to the Business Board.

Efficiency and corporate identity:

The Combined Authority and Business Board operate under a single officer team. In order to ensure the independence of each Board, the senior management team has separate duties assigned to officers within that team. The senior management team is headed up by the joint Chief Executives.

The Combined Authority Board and Business Board are supported by a Chief Officer who is the Director for Business & Skills, and further supported by key statutory officers within the single team and through a dedicated ~~S151~~S73 Officer (BB S73 Officer) and Monitoring Officer to provide an independent secretariat to each Board.

In addition to the above, the Boards also benefit from specialist support within the wider structure. This includes experienced Directors, Programmes Managers, ~~Assurance Manager~~ and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.

The Combined Authority and the Business Board have their own branding and identity recognising that some work of the Business Board is separate from and extends beyond the Combined Authority.

Overview and Scrutiny:

The role of the Cambridgeshire and Peterborough Combined Authority's Overview and Scrutiny Committee is primarily to scrutinise the work and decisions made by the Cambridgeshire and Peterborough Combined Authority. In so far as the business of the Business Board, the 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 this includes appropriate scrutiny of the Business Board decision making and achievements. To further strengthen internal scrutiny, an appointed member of Overview & Scrutiny Committee will shadow the work of the Business Board and this member will occupy the position of Overview & Scrutiny Lead Member. ~~Any Business Board member may be asked to attend, or otherwise contribute to a meeting of the Combined Authority's Overview and Scrutiny Committee.~~

The Cambridgeshire and Peterborough Combined Authority's Audit and Governance Committee shall also oversee the audit and governance arrangements of the Business Board. To further strengthen internal scrutiny, an appointed member of Overview & Scrutiny will shadow work of the Business Board, this member will occupy the position of Lead Member.

8.9. Appendix 2 – Summary of Scheme of Delegation for Business



Board funding

The schemes of delegations are set out in the Business Board and Combined Authority Constitutions and summarised below:

Function	Approved by	Recommendati <u>onRecommendation</u> by	Supported by
Strategy			
CPIER and the Mayor's growth ambition statement and associated thematic strategies	Combined Authority Board		Chief Executive, Monitoring Officer and <u>CPCA</u> S73 Officer
Business Plan and the Medium-Term Financial Plan	Combined Authority Board	Overseen by Audit and Governance Committee	Chief Executive, Monitoring Officer and <u>CPCA</u> S73 Officer
Business Board to lead on development and deliver an evidence-based Local Industrial Strategy	Combined Authority Board	Business Board	Chief Executive, Director of Business and Skills, Monitoring Officer and <u>BB</u> S73 Officer
Digital Sector Strategy	Combined Authority Board	Business Board	Chief Executive, Directors, Monitoring Officer <u>and, CPCA</u> S73 Officer <u>and BB S73 Officer</u>
OxCam Arc	Combined Authority Board	Business Board	Director of Business and Skills Monitoring Officer, <u>andCPCA</u> S73 Officer <u>and BB S73 Officer</u>
Influencing the development of the other Combined Authority's strategies and policies	Combined Authority Board	Business Board	Chief Executive, Monitoring Officer <u>and, CPCA</u> S73 Officer <u>and BB S73 Officer</u>
Allocation of LEP funding			
Budget approval	Combined Authority Board		Chief Executive, Monitoring Officer and <u>CPCA</u> S73 Officer
Sign off all funding decisions relating to funding allocated to the Business Board and sub-committee expenditure	<u>BB</u> S73 Officer		

Business Board funded project approvals	Combined Authority Board as accountable body	Business Board review the Business Case for Business Board funded projects and make recommendati <u>Recommendation to the Combined Authority Board</u>	<u>BB S73 Officer signs off all Business Board expenditure proposals</u>
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Function	Approved by	Recommendations <u>Recommendation</u> by	Supported by
		ons to the Combined Authority Board	
Allocation of Small Grants between £2,000 and £20,000	Director of Business & Skill		Delegation subject to Section 73 <u>BB S73</u> Officer approval and report all approvals to the next schedule meeting of the Business Board. Decision recorded through the Officer Decision Notice process
Wisbech Access Strategy at key gateway stages to deliver the agreed Wisbech Access Strategy Package works	Head of Transport in consultation with the Chair of the Transport Committee Section 73 <u>CPCA</u> <u>S73</u> Officer		Decision recorded through the Officer Decision Notice process
Eastern Agri-Tech Programme <u>Programme</u> (Multi-LEP Programme) to make decisions about applications for grant funding on behalf of both the CA/BB and NALP (New Anglia Local Enterprise Partnership).	Eastern Agri-Tech Programme Board		Agri-Tech Project Officer, Director of Business and Skills, Monitoring Officer and BB <u>S73</u> Officer
Energy Hub funding (Multi-LEP Programme) (a) to assume the Rural Community Energy Fund management role (b) oversight of the Rural Community Energy Fund (RCEF) Funding Panel	Greater South East Energy Hub		Regional Energy Hub Manager, Director of Business and Skills, Monitoring Officer and <u>CPCA</u> S73 Officer



Makes decisions on Energy Hub grant applications.	Community Energy Fund (RCEF) Funding		Regional Energy Hub Manager, Director of Business and Skills,
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Function	Approved by	Recommendation Recommendation by	Supported by
	Panel		Monitoring Officer and <u>CPCA</u> S73 Officer
Strategic oversight and governance of the Enterprise Zones	Business Board		Director of Business and Skills, Monitoring Officer and <u>BB</u> S73 Officer
Programme delivery of Enterprise Zone projects	Enterprise Zone Alconbury Weald Programme Board and Cambridge Compass Enterprise Zone Project Boards <u>BB</u> S73 Officer Chief Executive	Director of Business and Skills	Individual Enterprise Zone Project Boards for each site, set-up at officer level and responsible for delivering the programmes and projects associated with the regeneration and development of each Enterprise Zone site.
Governance			
Accountable Body Business Board and the Greater South East Local Energy Hub	Combined Authority Board <u>BB</u> S73 Officer	Director of Business and Skills	
Assurance Framework	Joint approval by Combined Authority Board and Business Board	Monitoring Officer and <u>CPCA</u> S73 Officer	Director of Business and Skills responsible for the delivery of Business Board functions within the assurance framework
Submission of Growth Deal <u>and Getting Building Fund</u> monitoring report <u>reports</u> to Government	Combined Authority Board Chief Executive <u>BB</u> S73 Officer	Business Board <u>where Board meeting timetable allows</u>	Director of Business and Skills <u>S73 Officer</u>
Annual Delivery Plan	Business Board		Director of Business and Skills responsible for the delivery of annual delivery plan within agreed budgets

Business Board Constitution and delegations to other bodies or Officers	Combined Authority Board	Business Board	Director of Business and Skills. Monitoring Officer and BB S73 Officer
Membership of the Business Board –	Board's appointments		Director of Business and Skills

Function	Approved by	Recommendati on Recommendation by	Supported by
Private Sector members	panel		
Diversity Statement	Business Board		Director of Business and Skills
Contract Standing orders and financial regulations Regulations	Combined Authority Board		Monitoring Officer and <u>CPCA</u> S73 Officer
Urgent Decisions	Business Board urgency procedure and reported to next Meeting of Business Board		Director of Business and Skills Monitoring Officer and <u>BB</u> S73 Officer
Risk Management for Business Board Projects	Business Board		Director of Business and Skills Senior Information Risk Officer (SIRO) - The Monitoring Officer is the SIRO for Information Governance
Final accounts	<u>CPCA</u> S73 Officer and Audit and Governance Committee		
Annual Governance Statement	Mayor, the Business Board Chair and the Chief Executive	Audit and Governance Committee	
Growth Company	Combined Authority Board	Business Board	Director of Business and Skills Monitoring Officer and S73 Officer

9.10. Appendix 3 – Governance Framework and Publication Checklist

	Chapter	Link to scheme <u>Key Documents</u>	Documents that must be published under National Framework
1	Assurance framework		
		National Assurance Framework <u>National Assurance Framework</u>	✓
		Cambridgeshire and Peterborough Assurance Framework <u>Cambridgeshire and Peterborough Assurance Framework</u>	✓
2	Strategic Documents		
		Cambridgeshire and Peterborough Devolution Deal <u>Peterborough Devolution Deal</u>	✓
		Cambridgeshire and Peterborough Independent Economic Review <u>Peterborough Independent Economic Review</u>	✓
		Local Industrial Strategy <u>Local Industrial Strategy</u>	✓
2.1		Mayor's growth ambition <u>Mayor's growth ambition statement</u>	✓
2.2		Cambridgeshire and Peterborough Business Plan 2019-2020 <u>Peterborough Business Plan 2019-2020</u>	✓
2.3		Combined Authority Medium-Term Financial Plan 2019-2023 <u>Term Financial Plan 2019-2023</u>	✓
3	Accountability and Transparent Decision making		
3.2	Combined Authority	Constitution of the Mayoral Combined Authority	✓
		Combined Authority Members <u>Combined Authority Members</u>	✓

3.3	Business Board	Constitution of the Business Constitution of the Business Board	✓
		Business Board Members Business Board Members	✓
		Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement (See Appendix 1)	✓
		Eastern Agri-Tech Growth Eastern Agri-Tech Growth	✓

		Initiative & Agri-Tech Programme Initiative & Agri-Tech Programme Board	
		Eastern Agri-Tech Growth Initiative Guidance Notes and Initiative Guidance Notes and Pre-Qualification Questionnaire	✓
		Enterprise Zones Alconbury Weald Enterprise Zones Alconbury Weald and Cambridge Cambridge Compass Enterprise Zones	✓
		Greater South East Energy Hub & Energy Hub Board Greater South East Energy Hub & Energy Hub Board	✓
		RCEF guidance notes and Expression of Interest form (to be published)	✓
3.4			
		Officer Decision Notices Officer Decision Notices	
3.6	Statutory Committees		
	Overview & Scrutiny Committee	Terms of reference (Constitution) Terms of reference (Constitution)	
	Audit & Governance Committee	Terms of reference (Constitution) Terms of reference (Constitution)	
		Audit Reports 2019 - Business Board - Internal Audit annual internal Audit letter Business Board - Internal Audit annual internal Audit letter	✓
3.7	Data Protection	Data Protection Policy Data Protection Policy	✓
4	Accountability and Transparency – Supporting Policies and Procedures		
		Combined Authority Agendas and Combined Authority Agendas and minutes	✓
		Business Board Agendas and Business Board Agendas and minutes	✓
		Annual report and delivery plan Annual report and delivery plan	✓

4.2	Financial information	Annual accounts, external audit letter and annual governance statement 2017/18 Annual accounts, external audit letter and annual governance statement 2017/18	✓
		Quarterly return to BEIS on Growth Fund projects, spend and performance Quarterly return to BEIS on Growth Fund projects, spend and performance	✓
		Funding programme with description of the scheme, promoter and funding award Funding programme with description of the scheme, promoter and funding award	✓
4.3	Remuneration and Expenses	Interim Business Board Expenses Interim Business Board Expenses Scheme	✓
		Allowances and Expenses paid 2018/19 Allowances and Expenses paid 2018/19	✓
		Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over	

		£50,000, in bands	
4.4	Freedom of Information	CACP Freedom of Information <u>CACP Freedom of Information</u> Policy, publication scheme and published FOI requests and responses	✓
4.5	Conflicts of Interest	Code of Conduct for Business Board Members <u>Board Members</u>	✓
		Code of Conduct for staff <u>Code of Conduct for staff</u>	✓
		Declarations of Interest forms	✓
		Register of interest for Chief <u>Register of interest for Chief</u> Executives	✓
4.6	Gifts and Hospitality	The register of gifts and <u>The register of gifts and</u> hospitality declared by Business Board	✓
4.7	Complaints and Whistleblowing	CACP Complaints Policy <u>CACP Complaints Policy</u>	✓
		CACP Whistleblowing Policy <u>CACP Whistleblowing Policy</u>	✓
		CA Business Board Complaints <u>CA Business Board Complaints</u> Policy	✓
		CA Business Board Whistleblowing Policy <u>CA Business Board Whistleblowing Policy</u>	✓
		CA Business Board Confidential reporting of <u>CA Business Board complaints- Confidential reporting of</u> complaints	✓
		Making a complaint <u>Making a complaint</u>	✓
		Fraud and Corruption Policy <u>Fraud and Corruption Policy</u>	
4.8	Diversity Statement	CA Business Board Diversity <u>CA Business Board Diversity</u> Statement	✓
4.9	Government Branding	Guidance for signage, social media, press notices and other marketing materials for every Government funded project (to be published)	
5	Robust Decision making		

5.3	Expressions of Interest/Open Calls	Local Growth Fund, expressions of interest under the Growth Prospectus	✓
5.5	Business Cases	10-point guide on Project Management – See Appendix 3	✓
5.7	Ensuring Value for Money	Monitoring and Evaluation Framework Framework	
6	Delivery Phase		
		Growth fund and investment update reports	✓
		Risk Management	

10. Appendix 4 – 10 Point Guide to Project Management

Ten-point guide to CPCA project management

Overview and user guidance

A 10-point guidance document has now been produced by the PMO, to help answer the most important questions on the successful delivery on our projects.

In the points below, we can have attempted to capture the key issues and questions you may have. For any further questions, please speak to the PMO Programme Manager.

This is document will be updated quarterly. Please therefore ensure you check back to this guidance regularly.

Version 1.1

Version control

Version	Date	Description of change
1.0	25.03.19	Document finalised and circulated
1.1	20.05.19	Link to project initiation document, 'approving a project' and approval flow chart updated

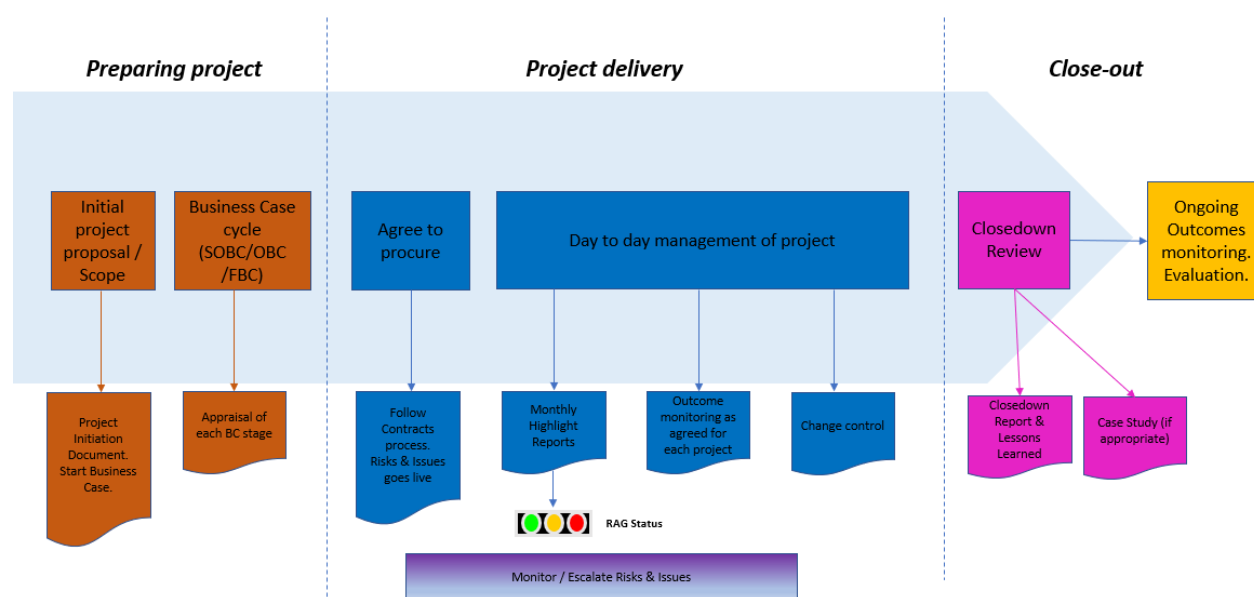
1) What is a project and how do I initiate one?

The Combined Authority defines a project as the following:

- A unique venture established for a fixed term, with defined start and end dates (transient) and set outcomes/outputs;
- Capital expenditure to deliver a specific outcome;
- Feasibility studies (revenue or capitalised);
- Revenue funded service activities identified by Directors as requiring entry in the Project Management process (due to importance or scale);
- Projects need to have Board or delegated approval, and provision in the Medium-Term Financial Plan (MTFP).

Projects can be managed together as Programmes (for example Agri-tech Grant Fund) and will also include legacy programmes / activities from The Business Board. Projects, however, will not include day to day corporate activity (for example, setting the creation of HR policies).

CPCA Project Management Process:



Preparing a project:

The first step for establishing a project is for the Project Initiation Document (PID) to be completed by the named project/programme Manager. The purpose of this document is for directors to confirm whether the project should go onto the business case stage or not.

PIDs are an internal management document designed to capture key information on budget, timetables and objectives of the project:

Click here for Project Initiation document – PID

It is also during the PID stage where the project gantt chart should be created. This is the basis for monitoring key project milestones and critical dependencies within a delivery timescale. It is expected that Project Managers will monitor and update Gantt charts throughout the full project life cycle.

Click here for Gantt chart template

Project managers need to inform the Programme Management Office (PMO) if they have been asked to create a PID, so the project idea/concept can be recorded on the Single Project Register (SPR). The SPR is a live document managed by the PMO and created to record all CPCA projects and project ideas.

Once created by the named project manager, the PID requires approval from the Combined Authority Directors, usually through the weekly director meetings. It is important that approvals of PIDs through these meetings are minuted, and that outcomes of the agreement or modifications that may be required are communicated to the project manager.

It is the responsibility of the accountable Director to present the project idea/concept and provide an overview of the strategic case, so please ensure your PIDs are shared and approved by the named Director in adequate time.

To get your PID added into the weekly Director meetings, please speak to a member of the PMO. PMO will track the approvals of new projects and will be on hand to offer any support with writing reports.

To note: PIDs are only the initial stage of approval and the project concept should be developed into a business case before final sign-off. The PID is an internal management document and should not go to Board/CEO for approval.

Project managers will be expected to liaise with Finance for assistance in identifying a suitable a budget line before the PID goes in front of CPCA Directors for approval.

Business Case approval:

Once the PID has been approved by Directors, the project concept should then be developed into a Business Case. This is the required route in getting funding approved for the project concept:

[Click here for CPCA Business Case](#)

Business cases need to include key information on project delivery, project plans and monitoring & evaluation. The Combined Authority has adopted HM Treasury's Five Case Model, and business cases need to be prepared according to the following elements:

Five Cases	Detail
Strategic Case	The strategic case sets out the rationale for the proposal, it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.
Economic Case	The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.
Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified.

The CPCA Business Case template deliberately uses the PID template and poses additional questions which require more detail. This is to enable project managers to revise the information from the PID.

At this stage, business cases should also be linked to a budget line within the MTFP and this includes securing the Chief Finance Officer's (CFO) agreement to the proposed budget for the project. Again, please speak to a member of the Finance team for more clarity on this.

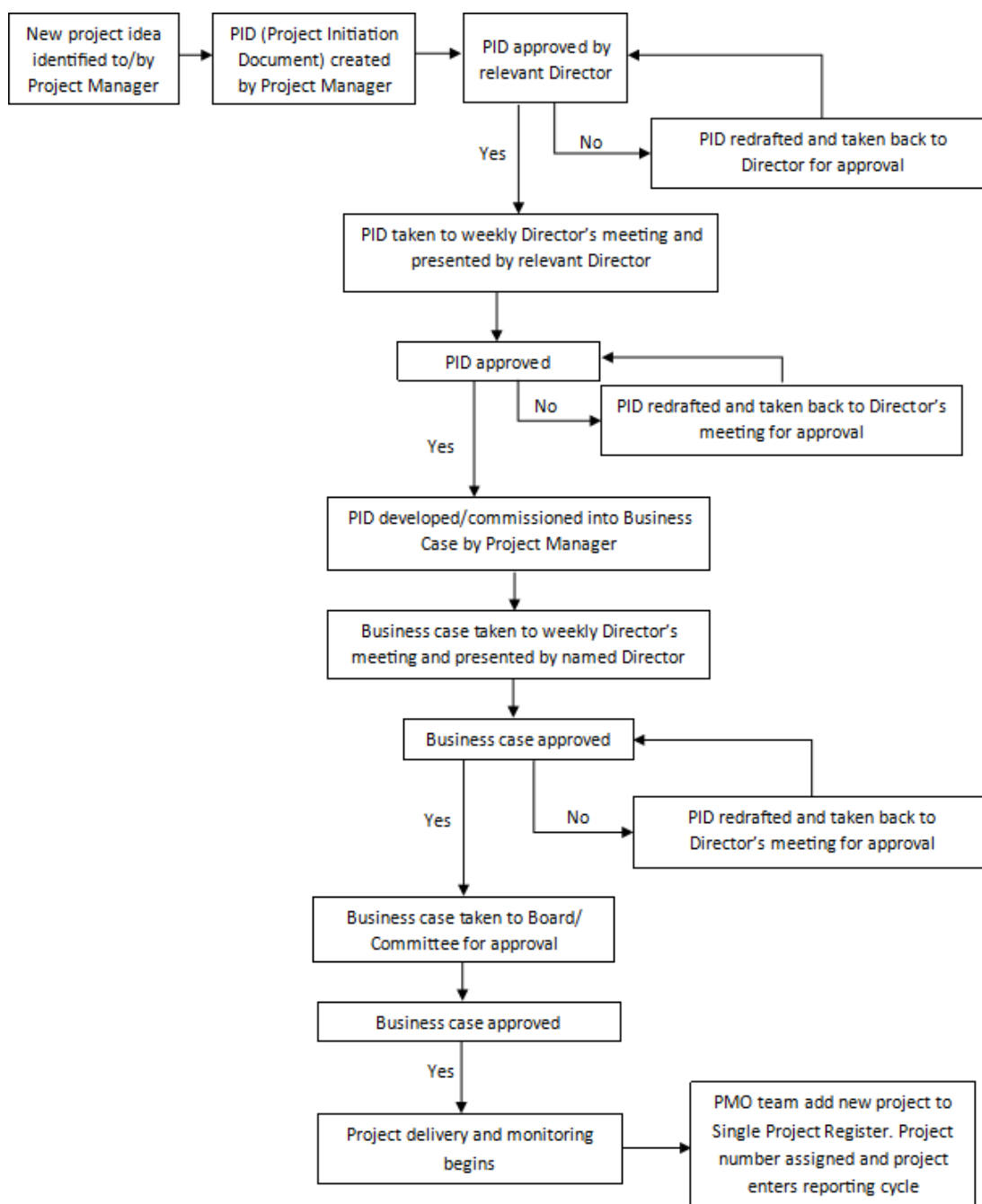
Please ensure that Assurance Framework requirements are built into business cases, such as the Value for Money statement. The CPCA Local Assurance Framework is currently under review, so please seek advice from the Compliance Manager for more information in the interim.

Approving the business case:

After project manager have created the business case, this will need to go to the relevant director for sign-off and then to the weekly Director meetings for approval. Again, please speak to the PMO for getting your Business Case added to a Directors' meeting agenda.

This business case may then require Board (and in some cases, Committee) approval for final sign-off so please see section 2) for more information.

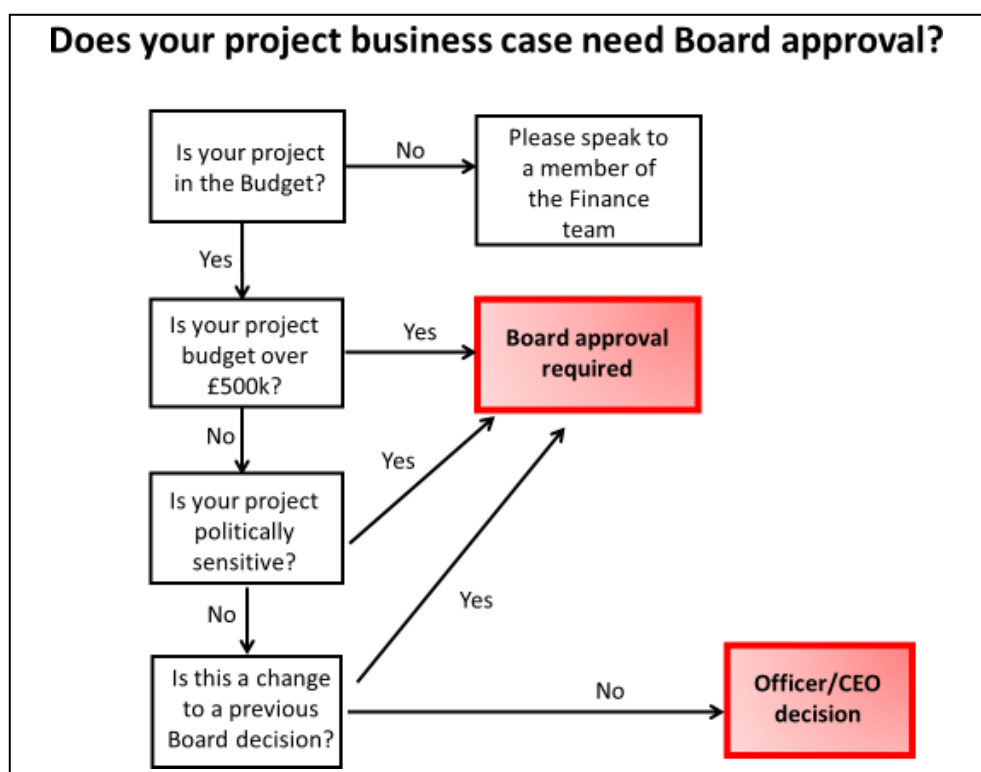
Full approval flow-chart



2) Does approval of my project need to go to Board?

Once directors have signed off the Business Case at their weekly meetings, it will then require final approval to commence to project delivery. This may be via the monthly Committee and Board cycle or through the Combined Authority Chief Executive. The Scheme of Delegations will set out who can agree different budget amounts, which will affect how your project can be approved. For example, all projects with a budget line over £500,000 (above CEO/CPCA Officer delegation) require Board approval. Finance can also help advise on the scheme of delegations.

The following flow chart will help identify what level of approval is required for your project, but please speak to PMO and Finance for assistance before making a final decision:



The Combined Authority Board does not manage changes, milestones or risks to a project, as these responsibilities lie with the Senior Responsible Officer, project board (where there is one) and Project Manager (see section 6) for more information). The Board is responsible for approving new business cases outside of CEO Delegation or where required and setting budgets. Further information can be found in section 3) below.

Approval via an ODN:

For new business cases which can be approved by Combined Authority Director or the Chief Executive Officer, an Officer Decision Notice (ODN) must be completed and saved down in the relevant folder on SharePoint. Please refer to the ODN Guidance folder for more information, and speak to Susan Hall to ensure this approval is recorded in the ODN register.

A project is established:

Once the business case and budget have been fully approved, the concept becomes a project. From this point monitoring and project management commences and monthly reporting is required through highlight reports, with updates provided on performance and spend. The PMO will also assign your project an individual project number.

If a project is being delivered by an external organisation a Service Level Agreement, grant agreement or contract for works will need to be put in place before delivery commences. This is all part of establishing a project framework and will set out key information including the claims/invoices draw down profile, project closure requirements, clawback clauses and other conditions of the funding. Project managers will be expected to liaise with Finance and the Legal Team, to create and submit the agreement/contract at the start of the project. This must be completed in adequate time before the first claims are submitted, as no claims can be paid without the agreement/contract signed off by the external party, and Combined Authority.

Please ensure the final signed version of the agreement/contract is saved in an adequate place on SharePoint.

3) What is my role in managing my project?

All live projects must have an agreed CPCA 'client side' Project Manager and Director. For projects being delivered by another organisation, there will also be an external project manager, but the CPCA project manager will be ultimately responsible for creating the initial PID and ensuring appropriate monitoring takes place and updates are provided to the Combined Authority.

Project/Programme Manager is responsible for developing the PID and for ensuring the overall outputs and/or outcomes are delivered within timescales and budget. As part of this process, Project/programme managers will manage the day-to-day running of the project; identify and report any changes; identify risks; ensure the project is compliant with the CPCA's processes and guidance; and manage the closedown. Project/programme managers are also required to produce highlight reports.

Project managers are identified in respect of individual projects, whereas programme managers are responsible for overseeing programmes with multiple projects. The programme manager may be responsible for all projects within the programme or there may be other named project managers. Where monitoring is required at programme level, the programme manager will be required to provide a monthly highlight report for the programme, obtaining updates from individual project managers if necessary.

The Project Management Office (PMO) is responsible for the single project register; creating the key documentation and setting up processes.

The Senior Responsible Officer (SRO) will usually be the relevant CPCA Director. The SRO is accountable for overall project direction; proposing the PID and business case to all directors for approval; reviewing risks; agreeing change requests within delegation; promoting change requests not delegated to Director level; ensuring processes are embedded across all directorates and informing the PMO team of any gaps or necessary improvements.

A project may also be run with a **Project Board** as part of its governance structure. The SRO should be a member of the Project Board. In this instance, the project board takes decisions about RAG ratings and change requests, within delegation.

CPCA Director Team is responsible for the strategic fit and interdependencies; agreeing new projects to go to CPCA Board in line with MTFP; the corporate overview of Red and Amber rated projects and proposing major change requests to CPCA Board.

CPCA Board sets strategic direction; is responsible for setting the MTFP; approving and signing off new project business cases where applicable; reviewing the corporate dashboard; approving major changes and reviewing red and amber rated projects on a quarterly basis. CPCA Board is not responsible for change control or risk management.

4) What documents are needed and where are these saved?

The PMO has created a standard filing structure within SharePoint so there is consistency across all directorates. This needs to be embedded across the organisation by the PMO and directorates working together, but project managers are ultimately responsible for ensuring these folders are correctly populated in readiness for any audits or monitoring requirements.

Click here for the SharePoint filing structure

Project folders are to be set up on SharePoint, under the 'Portfolio Workstreams' folders. It is the responsibility of project managers to set up clear standardised folders under the individual directorate folders, and this needs to be clear and transparent and easy to locate documentation for audit purposes.

Assurance Exercise:

A review of all existing projects is also to be undertaken and is essential in ensuring existing and completed projects have clear documentation of approvals and expected outcomes.

The PMO has created a checklist of key documentation which will help with this exercise. It is mandatory that project managers revisit their existing projects and ensure all documents are saved down to the appropriate file. The PMO will provide support to this exercise as necessary.

[Click here for the Project Assurance Checklist](#)

5) How do I define the RAG rating for my project?

Please refer to the **CPCA RAG Definitions** guidance.

The standardised RAG definitions above will assist project managers with allocating a RAG status to their projects. This will be incorporated into all project highlight reports and the corporate risk register.

Any changes to a project RAG status must be signed off by the SRO or Project Board and must be clearly explained in the project highlight reports.

6) Change Control

All project changes must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded within the highlight reports and gantt charts.

Where approved by director, a copy of the email chain should be saved down on SharePoint. For changes requiring approval higher than a director, the change request form should be completed:

[Click here for the Project Change Request](#)

Project Change Requests forms will be included for changes such as:

- Changes to timescales (i.e. delay to completion date)
- Amendments to budget
- Variations to outputs delivered
- Withdrawal of project
- Agreed mitigation/action arising from RAG monitoring.

Directors are responsible for agreeing change requests within delegation and promoting change requests outside their delegation. Where there is a project board on which the director sits, the Project Board also agree change requests within delegations.

Clawback and recovery processes for projects need to be addressed in the funding agreement/contract.

7) Project budget and procurement

In its business plan and MTFP, the Combined Authority Board will have set the broad budget streams for activity it wants to pursue.

If your project is not within the current MTFP, please speak to Finance.

All projects should have specific milestones or stages set out within the business case relating to the release of budget. Project managers will be expected to liaise with the Finance team during completion and submission of the PID and project business case.

Once your project business case has received final approval (through CPCA Board or Chief Executive), you will need to inform a member of Finance. This is in order to be allocated a cost-centre code, which must be attributed to further costs associated with your project.

The project budget should be monitored and updated regularly throughout the project – this is the responsibility of project managers, who should also be mindful of the CPCA's accounting periods, annual budget setting processes and end of year requirements.

For externally delivered works, it is important that claims are submitted on time, according to the claims/invoices profile within the grant agreement/contract for works.

For further information, please seek help from a member of the Finance team.

Contracting/procuring:

The Combined Authority constitution sets out our procurement processes and the following flow chart shows the different stages. Before project managers commit to spending any money, you will need ensure you have procured properly. Please speak to the Procurement lead for CPCA, for more information.

[Click here for the Contracts/procurement flow chart](#)

Claims:

In some cases, an external partner will be managing a project on behalf of the Combined Authority and will therefore need to submit claims or invoices for repayments. The process for submitting claims and invoices needs to be set out in the contract/agreement, with an agreed draw down schedule attached as an annex. Project managers will be the first point of contact for external organisations delivering activities on behalf of the Authority, so will need to review claims for accuracy, ensuring claimed amounts are in line with agreed schedules and supporting evidence is provided to support the amount claimed. Project managers will also need to confirm that activity has taken place with their projects in line with agreed business cases.

It is the responsibility of project managers to ensure payments are up-to-date and that external parties are submitting their claims in line with the agreed draw down schedule.

A specific process for submitting claims is being created by Finance, which will give project managers and external partners the information required for submitting claims and invoices for payment (i.e. what level of evidence is required and whether this has been specified in the contract, so external parties are aware of what is expected). Please speak to a member of the Finance Team for more information, and for a copy of the relevant claim form.

8) How do I monitor and record progress on my project?

The monthly highlight report cycle has already been introduced into the CPCA Project Management process and this is to be continued. Highlight reports for all live projects are due on the final working day of each month and an updated template is sent out by the PMO when required.

[Click here for the latest highlight report template](#)

For externally delivered projects, monitoring forms should be sent out to external parties and will enable both parties to track outputs and monitoring information. Expectations of how often these forms are to be submitted must be built into the funding agreement/contracts that are established before delivery commences.

[Click here for the CPCA monitoring form](#)

Work is also progressing on the CPCA's Monitoring and Evaluation Framework, embedding all the work that directorates have been involved with. This will help ensure outcomes are properly defined and quantified, and that progress towards them is monitored, which will be incorporated into the monthly highlight reports by the PMO. More information will be provided on monitoring and evaluation in due course.

9) How are projects evaluated?

It is important that where possible, projects are adequately evaluated to enable the Combined Authority to demonstrate value for money. Monitoring & evaluation plans need to be built in from the start of a project concept and agreed as part of the business case. It can sometimes be appropriate that a project does not require evaluation (for example, a study).

The Combined Authority's Monitoring & Evaluation Framework sets out our approach and projects must comply with it:

[Click here for the Monitoring and Evaluation Framework](#)

There are three main stages where evaluation processes are required:

- 1) At the beginning of the project, when the PID is created. Project managers should clearly define what outputs and outcomes will be achieved and approximately by when. This is to clearly identify the evaluable outcomes the project is aiming to achieve at the outset.

2) During the development of business cases to establish a baseline, even if it is a 'do nothing' scenario. This will enable project managers to monitor progress and identify if the project is still on track to deliver the outputs and outcomes stipulated in the PID.

3) Post completion. This will be to ensure the success of the project can be monitored and outputs and outcomes reported. It may be necessary to put processes in place which will evaluate major projects at more than one stage:

- immediately post completion to report on completed outputs
- at a later stage (potentially 3-5 years) to evaluate longer term outcomes and impacts.

Monitoring and evaluation is a charge on the project budget unless, under the Monitoring and Evaluation Framework, alternative arrangements have been agreed (for example the nationally-mandated evaluation of gainshare funded projects). The cost should be proportionate to the scale of the project.

In addition, an evaluation form has also been created to record how successful the project was, and any immediate lessons learn at the time of closure:

[Click here for the CPCA evaluation form](#)

10) How do I close-down my project after completion?

Project managers are responsible for identifying when their project has reached practical completion and if all outputs have been achieved, in accordance with the original agreement. If the project has officially completed, but there are still claims to be submitted or processed, project managers should continue with the project closedown process set out below. This will remove the project from the Project Management System, but it will remain on the financial system until all claims are paid.

Within a reasonable time after the project has ended, project managers will also be expected to demonstrate the following closure process, to demonstrate that:

- All funding has been spent appropriately in line with the projected financial profile
- There are no outstanding risks or actions
- Performance against all relevant outputs and milestones has been documented.

Closure process:

- All paperwork including certificates (if applicable), the final contract claim and the evaluation information, should be stored in a central repository on SharePoint, in accordance to the

~~project assurance checklist~~ (see section 4) for more information).
Without the appropriate paperwork, the project cannot be formally closed down.

- ~~Project closure forms~~ are recommended and best practice. This shouldn't be an onerous process but should provide an overview of how the project delivered and will allow comparisons with the original business case.
- ~~Evidence in the form of site visits and photographs to be saved on SharePoint, for future communication requirements and evidence of what the project has delivered i.e. Audit.~~
- ~~Project managers will be expected to arrange and participate in a closure meeting with consultants/3rd parties, to ensure any loose ends are tied up and the lessons learned have been captured. Evidence of this to be saved accordingly.~~
- ~~Future monitoring and evaluation process to be arranged. A forward schedule of future evaluations will be monitored and the PMO will provide updates to Directors on a regular basis.~~
- ~~Project managers will be required to submit a final **highlight report**, to formally mark the project as complete and show progress at 100% (current RAG status).~~

Previous Status	Green	Current Status (& direction of travel)	Complete
Overview and short narrative on project status			
% Time complete	100%	Forecast Completion Date	Dec-18

- ~~Confirmation of the following must be saved down onto SharePoint:~~

○ ~~Director approval of project completion (once the above stages have been completed);~~

○ ~~Project Manager confirmation to Finance that all invoices/claims are paid, and the position against overall budget.~~



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No: 5

Report title: Constitution Update from Housing and Communities Committee

To: Audit and Governance Committee

Meeting Date: 5 March 2021

Public report: Public Report

From: Robert Parkin
Monitoring Officer

Recommendations: The Audit and Governance Committee is recommended to:

- a) To consider amending the Constitution in relation to culture and tourism as recommend by the Housing and Communities Committee.
- b) To provide comment on the amendment proposed in relation to culture and tourism as recommended by the Housing and Communities Committee,

1. Purpose

- 1.1 The purpose of this report is to request that the Audit and Governance Committee as the custodians of the Combined Authority Constitution consider and comment on a recommendation from the Housing and Communities Committee to amend Chapter 10 [Housing & Communities Committee] of the Constitution so as to delete the words "(a) Culture and Tourism" in paragraph 3.2.9 and replace "(b)" with "(a)".

2. Background

- 2.1 At the Housing and Communities Committee meeting held on January 11th 2021 the committee considered report that briefed the Committee on the culture and tourism functions of the Combined Authority, which were currently allocated to the Housing and Communities Committee, In presenting the report the Director of Housing and Development explained that the report recommended that the Combined Authority Board be invited to make the necessary amendments to the Constitution to remove the culture and tourism

functions from the remit of the Housing and Communities Committee terms of reference and that those functions would continue to form part of the remit of the Business Board.

Significant Implications

3. Implications are set out in the Housing and Communities Committee report, listed below at 3.1
4. Background Papers
 - 4.1 [Housing and Communities Committee Culture and Tourism Report – January 11th 2021](#)
 - 4.2 [Housing and Communities Committee Minutes – January 11th 2021](#)
 - 4.3 [Combined Authority Constitution](#)



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No: 6

Capital Strategy

To: Audit and Governance Committee

Meeting Date: 05 March 2021

From: Robert Emery
Deputy Chief Finance Officer

Recommendations: The Audit and Governance Committee is recommended to:

a) Review the Capital Strategy for 2021-22

1. Purpose

- 1.1 The purpose of the report is for the Audit and Governance Committee to review the proposed Capital Strategy for 2021/22.

2. Background

- 2.1 According to its Terms of Reference, the Audit and Governance Committee shall “ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA’s Code of Practice”.
- 2.2 The Audit and Governance Committee were originally scheduled to review this strategy at their January meeting alongside the Treasury Management Strategy and Investment Strategy. Due to an IT error the Capital Strategy was not circulated to the Committee ahead of the meeting and thus Members of the Committee did not have time to review the draft ahead of the meeting.

3. 2020-21 Capital Strategy Update

- 3.1. The Capital Strategy has been updated for 2021/22 and is attached with tracked changes compared to the 2020/21 Strategy as Appendix 1.

The Capital Strategy provides a high-level overview for elected members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured across the Combined Authority’s Capital programme.

- 3.2. The Committee is asked to review the strategy ahead of being taken to the Board for approval.
- 3.3. There are two changes to the Strategy that are outside of the standard roll forward of figures and minor wording adjustments that should be highlighted to the Committee:
 1. Table 2, ‘Capital financing’, has been updated to group multiple instances of the same type of finance together (in this case grants) for simplicity.
 2. Wording has been updated to reflect both the potential for a debt-funded housing top-up fund in addition to the £40m housing investment fund, which was already recognised in the current 2020-21 investment strategy, and to specify that borrowing may make up a key part in the CAM funding and financing strategy when it is completed.
- 3.4. Establishing the funding and financing requirements of the CAM is one of the key workstreams within the overall programme. It is likely, given the transformational scale of the programme, that the CPCA’s financial strategies will need to be revisited to align with the CAM programme once the implications are clear.

Significant Implications

4. Financial Implications

- 4.1. None other than those highlighted in the main body of the report.

5. Legal Implications

- 5.1. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

6. Other Significant Implications

- 6.1. None

7. Appendices

- 7.1. Appendix 1 – Draft Capital Strategy 2021-22

8. Background Papers

- 8.1. [Cambridgeshire and Peterborough Combined Authority Capital Strategy 2020-21](#)

Cambridgeshire and Peterborough Combined Authority

Capital Strategy Report ~~2020/21~~2021/22

Style Definition: Comment Text

Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where an Authority spends money on assets, such as property, shares in companies or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In ~~2020/21~~2021/22, the Authority is planning capital expenditure of ~~£473.53m~~132.37m as summarised below.

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Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2018/19 2019/20 actual	2019/20 2020/21 forecast	2020/21 2021/22 budget	2021/22 2022/23 budget
Capital investments	60.82 86.39	92.35 182.31	473.53 132.37	81.42 114.86
TOTAL	60.82 86.39	92.35 182.31	473.53 132.37	81.42 114.86

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The budget figures for ~~2020/21 and~~ 2021/22 and 2022/23 are taken from the Approved Capital Expenditure Programme as set out and described in the Medium Term Financial Plan ~~which was~~ approved by the Board in January ~~2020/2021~~.

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Governance:

The Combined Authority's Assurance Framework sets out:

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(a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices and procedures.

(b) ~~The~~Alongside the Combined Authority's constitution, sets out the respective roles and responsibilities of the Combined Authority, the Business Board (the Local Enterprise Partnership) and ~~the Section 73 Officer, in decision-making and ways of working is set out in the terms of reference of the Business Board and forms part of the Combined Authority and the Local Enterprise Partnership constitutions~~statutory officers.

(c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.

(d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.

(e) The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2018/192019/20	2019/202020/21	2020/212021/22	2021/222022/23
	actual	forecast	budget	budget
Gainshare Capital/TCFGrant Funding	5.4586.01	7.67175.57	55.39104.86	32.9284.84
HousingUsable Capital Receipts	13.890.38	50.306.74	44.6427.51	23.4730.02
Highways Maintenance Grant	23.08	23.54	23.08	23.08
Local Growth Fund	15.67	6.08	50.45	1.65
Other (2019/20 – NPFI)	3.03	4.76	0	0
Debt	0	0	0	0
TOTAL	60.8286.39	92.35182.31	173.53132.37	81.42114.86

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

The Combined Authority currently does not have any debt ~~and has no immediate plans to obtain~~ but is considering debt. ~~There is however~~ funding schemes within the Housing directorate, and significant work is being done to establish what the financing requirements will be for the Cambridge Autonomous Metro and whether Combined Authority borrowing may have a role in this. A provision is included in the ~~draft~~ budget and MTFP from 2022/23 to service approximately £40m of debt ~~up to the current agreed costs~~ (based on 25-year maturity rates from PWLB as at 20th January 2021) which would cover any charges incurred from borrowing for the potential Housing directorate debt cap-funded programme.

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The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority currently has no debt and therefore no CFR.

The Authority expects that its capital financing requirement will be nil on 31st March ~~2020~~2021 and in line with the MHCLG Guidance expects to charge no MRP in ~~2020/21~~2021/22.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP. Where loans are ~~made from the Treasury top-up fund~~debt funded, where creditworthiness of the borrower decreases or the asset value drops below the loan value, MRP will be charged on the shortfall.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent.

As at ~~29 February~~31 December 2020, the Authority had no borrowing and ~~£170.2m~~187.5m treasury investments at an average rate of 0.8431%

Borrowing strategy: The Authority's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.7510%) and long-term fixed rate loans where the future cost is known but higher (currently ~~2.01.5~~ to ~~3.02.5~~%).

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above).

Table 43: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3. 2019 2020 actual	31.3. 2020 2021 forecast	31.3. 2021 2022 budget	31.3. 2022 2023 budget
Debt (incl. PFI & leases)	0	0	0	0
Capital Financing Requirement	0	0	0	0

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Authority expects to comply with this in the medium term.

Liability benchmark: To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. Given that there are

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no current plans to borrow, this benchmark is currently set at the existing debt cap, but will be kept under review.

Table 54: Borrowing and the Liability Benchmark in £ millions

	31.3.2019/2020	31.3.2020/2021	31.3.2021/2022	31.3.2022/2023
	actual	forecast	budget	budget
Outstanding borrowing	0	0	0	0
Liability benchmark	0	0	84.8461	84.61

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Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 65: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2019/2020/21 limit	2020/21/2021/22 limit	2021/22/2022/23 limit
Authorised limit - total external debt	84.61	84.61	84.61
Operational boundary - total external debt	74.61	74.61	74.61

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

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Risk management: The effective management and control of risk are prime objectives of the Authority’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and staff, who must act in line with the treasury management strategy approved by the Board. Regular reports on treasury management activity are presented to the Audit and Governance Committee who are responsible for ensuring effective scrutiny of the treasury management strategy and policies in accordance with CIPFA’s Code of Practice.

Investments for Service Purposes

The Authority makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth and the Authority's subsidiaries that provide services. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for ~~such investments~~ service loans to at least break even after all costs.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Head of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases and will therefore also be approved as part of the capital programme.

Commercial Activities

The Combined Authority currently does not invest in commercial property for financial gain.

Liabilities

The Authority is committed to making future payments to cover its pension fund deficit (valued at £1.55m). There are currently no commitments to make future payments in relation to debt, ~~future payments to cover pension fund deficits~~ or other major liabilities. There is currently no requirement to cover risks of other provisions, financial guarantees or major contingent liabilities.

Governance: Decisions on incurring new discretionary liabilities are taken by Directors in consultation with the Head of Finance. The risk of liabilities crystallising and requiring payment is monitored by the Finance team and reported to the Audit and Governance committee. New liabilities/loans are reported to the Board for approval/notification as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from general government grants.

Table 76: Prudential Indicator: Proportion of financing costs to net revenue stream

	<u>2018/19</u> <u>31.3.202</u> <u>0 actual</u>	<u>2019/20</u> <u>31.3.202</u> <u>1 forecast</u>	<u>2020/21</u> <u>31.3.202</u> <u>2 budget</u>	<u>2021/22</u> <u>31.3.202</u> <u>3 budget</u>
Financing costs (£m)	0	0	£2.56m	£2.56m0.73m
Proportion of net revenue stream	0%	0%	45.40%	47.64.1%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Head of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable as demonstrated in the Medium-Term Financial Plan.

Knowledge and Skills

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The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Head of Finance is a qualified accountant with 25 years post qualification experience. The Authority pays for staff to study towards relevant professional qualifications and for all qualified staff to keep up to date with relevant 'continuing professional development'.

Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers ~~and Peterborough City Council to provide a Capital and Treasury support service via a service level agreement~~. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No: 7

Report title: External Audit – Outline Audit Plan

To: Cambridgeshire and Peterborough Combined Authority Audit and Governance Committee

Meeting Date: 5 March 2021

Public report: Yes

Lead Member: n/a

From: Jon Alsop
Chief Finance Officer

Key decision: No

Forward Plan ref: n/a

Recommendations: The Committee is recommended to:

a) note the outline audit plan for the financial year 2020/21 as provided by the Combined Authority's external auditors, Ernst and Young LLP (EY)

1. Purpose

- 1.1 This paper is to provide the Committee with EY's outline audit plan for the 2020/21 financial statements.

2. Background

- 2.1 According to its Terms of Reference, the Audit and Governance Committee shall consider the annual external audit of the Combined Authority's accounts.
- 2.2 The Outline Audit Plan for 2020/21 as shown at appendix A sets out how EY intends to carry out their responsibilities as auditor.
- 2.3 The purpose of the plan is to provide the Audit and Governance Committee with a basis to review EY's proposed audit approach and scope for the 2020/21 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

- 2.4 The Committee is asked to review the planned audit approach to ensure that it is aligned with the Committee's service expectations, and to consider whether there are other matters which may influence the audit.
- 2.5 The Outline Audit Plan summarises EY's initial assessment of the key risks driving the development of an effective audit for the Authority and outlines their planned audit strategy in response to those risks.

Significant Implications

3. Financial Implications

- 3.1 The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.
- 3.2 The fee for the planned code work is £26,950. EY's proposed uplift is £2,695 and additional fees (as set out in appendix A to the plan) are to be confirmed.
- 3.3 All additional code work fees are subject to approval by PSAA.

4. Legal Implications

- 4.1 No legal implications have been identified.

5. Other Significant Implications

- 5.1 No other significant implications have been identified.

6. Appendices

- 6.1 Appendix A – Outline Audit Plan 2020/21 (EY)

7. Background Papers

- 7.1 There are no other supporting or background documents which have been relied upon when preparing this report.



Cambridgeshire and Peterborough Combined Authority Outline audit planning report

Year ending 31 March 2021

26 February 2021



26 February 2021

Dear Committee Members

Cambridgeshire and Peterborough Combined Authority, 2020/21 Outline Audit planning report

We are pleased to attach our outline audit planning report for the forthcoming meeting of the Audit and Governance Committee. The purpose of this report is to provide the with a basis to review our proposed audit approach and scope for the 2020/21 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's new 2020 Code of Audit Practice, the auditing standards and other professional requirements. It also aims to ensure that our audit is aligned with the Committee's service expectations.

This report summarises our initial assessment of the key issues which drive the development of an effective audit for the Cambridgeshire and Peterborough Combined Authority. We have aligned our audit approach and scope with these. We have yet to complete our detailed audit planning and will report any changes to risks and areas of focus to the next Committee meeting.

This report is intended solely for the information and use of the Audit and Governance Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 5 March 2021 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Suresh Patel

Associate Partner

For and on behalf of Ernst & Young

Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to the Audit and Governance Committee and management of the Cambridgeshire and Peterborough Combined Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Governance Committee, and management of Cambridgeshire and Peterborough Combined Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Governance Committee, and management of Cambridgeshire and Peterborough Combined Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2020/21 audit strategy



Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit and Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year

Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Misstatements due to fraud or error	Fraud risk	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
Inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	Linking to our fraud risk identified above, we have determined that the way in which management could override controls and manipulate revenue expenditure by incorrectly capitalising expenditure which is revenue in nature and should be charged to the comprehensive income and expenditure account.
Accounting for Covid-19 related government grants	Significant risk	New risk	The Authority has received a significant level of government funding in relation to Covid-19. There is a need for the Authority to ensure that it accounts for these grants appropriately, taking into account any associated restrictions and conditions.
Going concern disclosure	Inherent Risk	No change in risk or focus.	The financial landscape for all public sector entities remains challenging. The Authority will need to undertake a going concern assessment covering a period up to 12 months from the expected date of final authorisation. It will also need to make an appropriate disclosure in the financial statements. In addition, the revised auditing standard on going concern requires additional challenge from auditors on the assertions being made by management.
Pension liability valuation	Inherent risk	No change in risk or focus	The pension fund deficit is a material estimate that is disclosed on the balance sheet. It involves significant estimation and judgement which management engages an actuary to undertake.
Group accounts	Inherent risk	New risk	The Authority is planning on preparing group accounts for the first time in 2020/21, consolidating its five subsidiaries.

Overview of our 2020/21 audit strategy

Accounting estimates

The auditing standard for accounting estimates requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors now consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we may see the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area. The changes to the standard may affect the nature and extent of information that we may request and will likely increase the level of audit work required.

Materiality



We have set materiality at £1.42 million for the financial statements which represents 2% of the prior years gross revenue expenditure of the Authority. The use of 2% of gross revenue expenditure is in line with the prior year and is our maximum threshold for local authorities reflecting the higher profile of local government financial resilience and financial reporting.

We have set performance materiality at £1.07 million for the financial statements. This represents 75% of materiality reflecting the relatively lower level of errors we detected in the 2019/20 financial statements.

We will report all uncorrected misstatements relating to the group financial statements over £71,000. We will communicate other misstatements identified to the extent that they merit the attention of the Audit and Governance Committee.

Audit scope

This Outline Audit Plan covers the work that we plan to perform to provide you with our audit opinion on the Authority and Group financial statements for 2020/21. We are also required to report a commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 03, highlighting the changes included in the NAO's Code of Audit Practice 2020.

We will also review and report to the NAO, to the extent and in the form required by them, on the Whole of Government Accounts submission. We intend to take a substantive audit approach. When planning the audit we take into account key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes; Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Authority. Taking the above into account, and as articulated in this Outline Audit Plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response. The fees we have included in Section 08 reflect the work we need to undertake to address the risks we have currently identified. We will continuously review and update as necessary our understanding of your risks and discuss with management and the Audit and Governance Committee any significant changes.

Overview of our 2021 audit strategy

Value for money conclusion

One of the main changes in the NAO's 2020 Code is in relation to the value for money conclusion. We include details in Section 03 but in summary:

- ▶ We are still required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.
- ▶ Planning on VFM and the associated risk assessment is now focused on gathering sufficient evidence to enable us to document our evaluation of the Authority's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.
- ▶ We will be required to provide a commentary on the Authority's arrangements against three reporting criteria:
 - Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services;
 - Governance - How the Authority ensures that it makes informed decisions and properly manages its risks; and
 - Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.
- ▶ Within the audit opinion we will still only report by exception where we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- ▶ The commentary on arrangements will be included in a new Auditor's Annual Report which we will be required to issue at a date to be determined by the NAO.

Timeline

At the time of drafting this Outline Audit Plan, MHCLG were consulting on changing the date for the Authority to publish its draft accounts to 1 August 2021. However, MHCLG has not yet outlined how that change impacts the target date for the Authority to publish its approved and audited accounts. In their response to the Redmond Review, MHCLG indicated that for 2020/21 that target date would be 30 September 2021.

In Section 07 we therefore include a provisional timeline for the audit but this will be subject to change depending on MHCLG's communications on target dates for publishing the accounts.

Fees

We remain in discussion with PSAA about our proposed increase to the scale fee which we consider to be appropriate to deliver a Code compliant audit. We include in Section 08, our current view of the fees required to carry out the 2020/21 audit. We will update the Committee on any determinations by PSAA on fees.



02

Audit risks



Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error *

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What will we do?

- ▶ Inquire of management about risks of fraud and the controls put in place to address those risks.
 - ▶ Understand the oversight given by those charged with governance of management's processes over fraud.
 - ▶ Consider of the effectiveness of management's controls designed to address the risk of fraud.
- Perform mandatory procedures regardless of specifically identified fraud risks, including:
- ▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
 - ▶ Assessing accounting estimates for evidence of management bias, and
 - ▶ Evaluating the business rationale for significant unusual transactions.

We will utilise our data analytics capabilities to assist with our work.

Having evaluated this risk we have considered whether we need to perform other audit procedures not referred to above. We concluded that only those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.



Audit risks

Our response to significant risks

Inappropriate capitalisation of revenue expenditure*

Financial statement impact

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through the capitalisation of revenue expenditure and revenue expenditure funded from capital under statute (REFCUS). Management could manipulate revenue expenditure by incorrectly capitalising expenditure which is revenue in nature and should be charged to the comprehensive income and expenditure account.

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have identified an opportunity and incentive to capitalise expenditure under the accounting framework. In arriving at this conclusion we have considered the pressure on the revenue budget.

What will we do?

We will be:

- Testing a sample of capital expenditure, including Revenue Expenditure Funded from Capital Under Statute (REFCUS) to verify that revenue costs have not been inappropriately treated as capital.
- Verifying adjustments between the accounting basis and funding basis have been correctly made in accordance with the Code, and reflected appropriately in the Authority's Movement in Reserves Statement (the MiRS).

We will utilise our data analytics capabilities to assist with our work, including journal entry testing. We will assess journal entries more generally for evidence of management bias and evaluate for business rationale.

Our response to significant risks

Accounting for Covid-19 related government grants

Financial statement impact

The Authority's determination of when it is acting as an 'agent' or 'principal' will determine the financial statement impact.

What is the risk?

The Authority has received a significant level of government funding in relation to Covid-19. Whilst there is no change in the CIPFA Code or accounting standard (IFRS 15) in respect of accounting for grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Authority will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment in the 2020/21 statements.

What will we do?

We will consider the Authority's judgement on material grants received in relation to whether it is acting as:

- An Agent, where it has determined that it is acting as an intermediary; or
- A Principal, where the Authority has determined that it is acting on its own behalf.

We will encourage the finance team to provide its assessment of grant accounting well before it prepares the statements so that we can provide an early view on its proposed accounting treatment.

Other areas of audit focus (continued)

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the risk/area of focus?	What will we do?
<p>Going concern disclosure</p> <p>There is a presumption that the Authority will continue as a going concern for the foreseeable future. However, the Authority is required to carry out a going concern assessment that is proportionate to the risks it faces. In light of the continued impact of Covid-19 on the Authority's day to day finances, its annual budget, its cashflow and its medium term financial strategy, there is a need for the Authority to ensure its going concern assessment is thorough and appropriately comprehensive.</p> <p>the Authority is then required to ensure that its going concern disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has identified.</p> <p>In addition, the auditing standard in relation to going concern (ISA570) has been revised with effect for the 2020/21 accounts audit.</p>	<p>We will meet the requirements of the revised auditing standard on going concern (ISA 570) and consider the adequacy of the Authority's going concern assessment and its disclosure in the accounts by:</p> <ul style="list-style-type: none"> • Challenging management's identification of events or conditions impacting going concern. • Testing management's resulting assessment of going concern by evaluating supporting evidence (including consideration of the risk of management bias). • Reviewing the Authority's cashflow forecast covering the foreseeable future, to ensure that it has sufficient liquidity to continue to operate as a going concern. • Undertaking a 'stand back' review to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern. • Challenging the disclosure made in the accounts in respect of going concern and any material uncertainties. <p>We will discuss the detailed implications of the revised auditing standard with finance staff shortly and seek to agree with management to receive an early draft of the Authority's going concern assessment in advance of the 2020/21 year-end audit in order to provide management with feedback on the adequacy and sufficiency of the proposed disclosures in relation to going concern.</p>

Audit risks

Other areas of audit focus

What is the risk/area of focus?

Pension Liability Valuation

The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Authority.

The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2020 this totalled £1.5 million.

The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the Pension Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Group accounts

The Authority is planning on consolidating its five subsidiary companies and prepare group accounts for the first time in 2020/21. We understand that none of the companies have started trading yet but the Authority will made some significant commitments to provide capital funding to them by 31st March 2021.

We identify this as an inherent risk as the Authority has not prepared group accounts in the past and this can be a complex area of accounting.

What will we do?

We will:

- ▶ Liaise with the auditors of Cambridgeshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Cambridgeshire and Peterborough Combined Authority.
- ▶ Assess the work of the pension fund actuary (Hymans Robertson) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and
- ▶ Review and test the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.

We will consider outturn information available at the time we undertake our work after production of the Authority's draft financial statements, for example the year-end actual valuation of pension fund assets. We will use this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments are required.

We will:

- ▶ Review the group assessment prepared by the Authority, ensuring that the accounting framework and accounting policies are aligned to the Authority group;
- ▶ Scope the audit requirements for each component based on their significance to the group accounts;
- ▶ Test the consolidation procedures applied; and
- ▶ Check compliance with the Code of Audit Practice in respect of the group accounts and associated disclosures.

Other areas of audit focus (Continued)

What is the risk/area of focus?

Auditing accounting estimates

ISA 540 (Revised) - Auditing Accounting Estimates and Related Disclosures applies to audits of all accounting estimates in financial statements for periods beginning on or after December 15, 2019.

This revised ISA responds to changes in financial reporting standards and a more complex business environment which together have increased the importance of accounting estimates to the users of financial statements and introduced new challenges for preparers and auditors.

The revised ISA requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we expect the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area.

The changes to the standard may affect the nature and extent of information that we may request and will likely increase the level of audit work required, particularly in cases where an accounting estimate and related disclosures are higher on the spectrum of inherent risk. For example:

- We may place more emphasis on obtaining an understanding of the nature and extent of your estimation processes and key aspects of related policies and procedures. We will need to review whether controls over these processes have been adequately designed and implemented in a greater number of cases.
- We may provide increased challenge of aspects of how you derive your accounting estimates. For example, as well as undertaking procedures to determine whether there is evidence which supports the judgments made by management, we may also consider whether there is evidence which could contradict them.
- We may make more focussed requests for evidence or carry out more targeted procedures relating to components of accounting estimates. This might include the methods or models used, assumptions and data chosen or how disclosures (for instance on the level of uncertainty in an estimate) have been made, depending on our assessment of where the inherent risk lies.
- You may wish to consider retaining experts to assist with related work. You may also consider documenting key judgements and decisions in anticipation of auditor requests, to facilitate more efficient and effective discussions with the audit team.
- We may ask for new or changed management representations compared to prior years.



03

Value for Money Risks





Value for money

the Authority's responsibilities for value for money

the Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

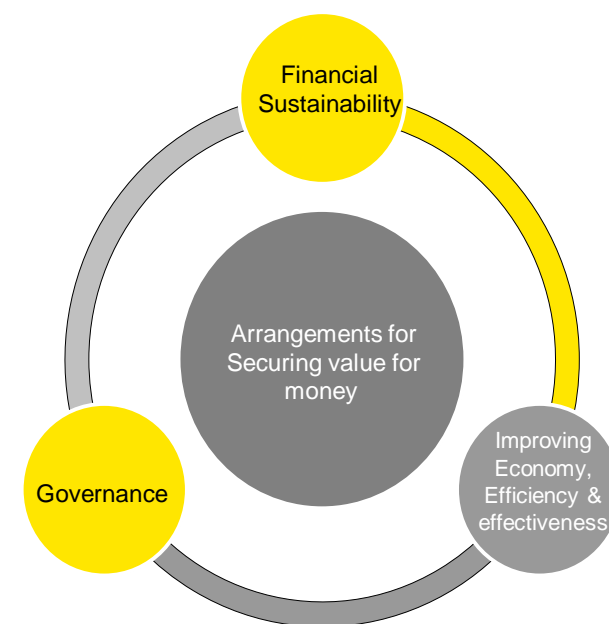
As part of the material published with its financial statements, the Authority is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailor's the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Auditor responsibilities under the new Code

Under the 2020 Code we are still required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability
How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance
How the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness:
How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.





Value for money

Planning and identifying VFM risks

The NAO's guidance notes require us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Authority's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. This is a change to 2015 Code guidance notes where the NAO required auditors as part of planning, to consider the risk of reaching an incorrect conclusion in relation to the overall criterion.

In considering the Authority's arrangements, we are required to consider:

- the Authority's governance statement
- Evidence that the Authority's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates (such as OfSTED) and other bodies and
- Any other evidence source that we regard as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- Exposes - or could reasonably be expected to expose - the Authority to significant financial loss or risk;
- Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the Authority's reputation;
- Leads to - or could reasonably be expected to lead to - unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the Authority;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves, or impact on budgets or cashflow forecasts;
- The impact of the weakness on the Authority's reported performance;
- Whether the issue has been identified by the Authority's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;
- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the Authority has had to respond to the issue.



Value for money

Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the audit committee.

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Authority's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2020/21 VFM planning

We have yet to commence our detailed VFM planning. We will update the next Committee meeting on the outcome of our VFM planning and our planned response to any identified risks of significant weaknesses in arrangements.



04

Audit materiality



Materiality

Materiality

For planning purposes, planning materiality for 2020/21 has been set at £1.422 million for the financial statements. This represents 2% of the Authority's prior year gross revenue expenditure (GRE) on provision of services. We will reassess materiality throughout the audit process. We consider that gross expenditure on the provision of services is the area of biggest interest to the users of the Authority's accounts.



We request that the Audit and Governance Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £1.066mn for the financial statements which represents 75% of planning materiality. This reflects the relatively low level of error detected in our 2019/20 financial statements audit.

Audit difference threshold - we propose that misstatements identified below this threshold of £71,000 are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet and collection fund that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Audit and Governance Committee, or are important from a qualitative perspective.



05 Scope of our audit



Scope of our audit

Objective and scope of our audit

Under the Code of Audit Practice our principal objectives are to review and report on the Authority's financial statements and, by exception, where we are not satisfied that the Authority had established arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK). We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement; and Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

As outlined in Section 03, we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Scope of our audit

Audit Process overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

For 2020/21 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics

We will use our analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Audit Committee.

Internal audit

We will review internal audit plans and the results of their work. We will reflect on these when designing our overall audit approach and when developing our detailed testing strategy. We may also reflect relevant findings from their work in our reporting, where it raises issues that could have a material impact on the financial statements.



06

Audit team



Audit team

Audit team structure:

Suresh Patel
Associate Partner

Dan Cooke
Audit Manager

Working together with the Authority

We are working together with officers to identify continuing improvements in communication and processes for the 2020/21 audit.

We will continue to keep our audit approach under review to streamline it where possible.

PwC (consulting actuary) and EY
Actuaries

Use of specialists

When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where specialists are expected to provide input for the current year audit are:

Area	Specialists
Pensions disclosure	PWC & EY Actuaries Hymans Robertson - Actuary to the Cambridgeshire Pension Fund

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Authority's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



07

Audit timeline





Indicative Audit timeline

Indicative timetable of communication and planned deliverables

Indicative timeline

Below is an indicative timetable showing the key stages of the audit and the planned deliverables we have agreed to provide to you through the audit cycle in 2020/21. Please note that we will communicate any changes to this plan to officers and members as soon as we can. From time to time matters may arise that require immediate communication with the Audit and Governance Committee and we will discuss them with the Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Audit phase	Timetable	Audit and Governance Committee Meeting timetable	Deliverables
Initial Planning: Risk assessment and setting of scopes and walkthrough of key systems and processes	March 2021	Audit and Governance Committee Meeting	Outline audit plan
Completion of initial planning	May		
Interim audit testing and completion of walkthroughs	May		
Interim audit testing and completion of walkthroughs	May		
	May		
Draft accounts received	June	Audit and Governance Committee Meeting	Updated Audit Plan (if needed)
Year end audit Audit Completion procedures	July		
	August		
	September	TBC	Audit Results Report
	October		Annual Auditor's Report including commentary on VFM



08

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you

Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between the you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. ▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard [note: additional wording should be included in the communication reflecting the client specific situation] 	<ul style="list-style-type: none"> ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; ▶ Written confirmation that all covered persons are independent; ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; ▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed. **Page 259 of 338**

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider the safeguards that have been adopted appropriately mitigate the principal threats identified and we confirm that EY is independent and that Suresh Patel, your audit engagement partner, and the audit engagement team have not compromised their objectivity and independence

Self interest threats

A self interest threat arises when EY has financial or other interests in the Authority. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees. At the time of producing this plan EY advisory are responding to the Authority's invitation to tender for a review of Air Quality Behavioural Insights. We do not believe there to be any perceived or actual independence matters that this engagement would create for the external audit, including consideration of the NAO's list of prohibited non-audit services. The proposed fee is also well below the NAOs fee cap for non-audit services of 70% of the scale audit fee. We will continue to keep you updated on whether this work proceeds.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements. There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Authority. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work. There are no management threats at the date of this report.

Relationships, services and related threats and safeguards

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise. There are no other threats at the date of this report.

Other communications

EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2020: https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/about-us/transparency-report-2020/ey-uk-2020-transparency-report.pdf



09

Appendices



Appendix A

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Planned fee 2020/21 (£)	Final fee 2019/20 (£)
Scale Fee - Code work [note 1]	26,950	26,950
Additional fees: [note 2]		
- Group accounts	TBC	-
- VFMC significant risk	TBC	5,909
- Significant risk - C-19 grants accounting	TBC	-
- Significant risk - incorrect capitalisation of revenue expenditure and REFCUS	1,000-2,500	2,480
- IAS 19 audit of pension liability & disclosures	2,000-4,000	4,004
- Correspondence from the public	-	3,297
- Impact of Covid-19 Inc. going concern	1,000-2,000	1,755
- Mayor's request in respect of correspondence with MRGLG	-	3,912
Total audit	TBC	48,307

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our accounts opinion being unqualified;
- Appropriate quality of documentation is provided by the Authority;
- the Authority has an effective control environment;
- EY internal consultation on the audit report in line with 2019/20.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

All fees exclude VAT





Notes:

1. We are currently in discussion with PSAA nationally about an increase to the scale fee. For the Authority we proposed an increase of £2,695. This is yet to be determined by PSAA.
2. 2019/20 additional fees agreed in with management and now subject to approval by PSAA. Ranges for 2020/21 additional fees based on prior year experience where appropriate.

Appendix B





Required communications with the Audit and Governance Committee

We have detailed the communications that we must provide to the Audit and Governance Committee.

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Outline Audit Plan, March 2021 meeting of the Audit and Governance Committee.
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report, September 2021 (TBC) meeting of the Audit and Governance Committee.



Appendix B

Required communications with the Audit and Governance Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit Results Report, September 2021 (TBC) meeting of the Audit and Governance Committee.
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Corrected misstatements that are significant ▶ Material misstatements corrected by management 	Audit Results Report, September 2021 (TBC) meeting of the Audit and Governance Committee.
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Audit Results Report, September 2021 (TBC) meeting of the Audit and Governance Committee.
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report, September 2021 (TBC) meeting of the Audit and Governance Committee.

Appendix B

Required communications with the Audit and Governance Committee (continued)

		Our Reporting to you
Required communications	 What is reported?	 When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Outline Audit Plan, March 2021</p> <p>Audit results report, September 2021 (TBC)</p>
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	<p>Audit Results Report, September 2021 (TBC) meeting of the Audit and Governance Committee.</p>
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Committee may be aware of 	
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	
Representations	<ul style="list-style-type: none"> ▶ Written representations we are requesting from management and/or those charged with governance 	Assurance Letter to be received shortly after year-end.
Material inconsistencies and misstatements	<ul style="list-style-type: none"> ▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	<p>Audit Results Report, September 2021 (TBC) meeting of the Audit and Governance Committee.</p>
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	

Additional audit information

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Audit Committee reporting appropriately addresses matters communicated by us to the Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and Maintaining auditor independence.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines the locations at which we conduct audit procedures to support the opinion given on the financial statements; and the level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No:8

Report title: Information Governance Update

To: Audit and Governance Committee

Meeting Date: 5 March 2021

Public report: Public Report

From: Rochelle Tapping
Deputy Monitoring Officer

Recommendations:

The Audit and Governance Committee is recommended to:

1) To note the findings and recommendations of the report on Information Governance, which will be implemented at the Combined Authority.

2) Agree 6 monthly reporting into the Committee on information governance matters

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.2 To advise the Audit and Governance Committee of the Information Governance report including findings and recommendations for implementation.

2. Background

- 2.1 Information Governance includes compliance with freedom of information, data protection laws and information security. To establish the efficiency of information governance at the Combined Authority, including improvements required, a review of the same was necessary. Between August and October of 2020, the CPCA instructed an external data protection specialist to conduct that review and produce a report.
- 2.2 The technical scope of the review included reviewing current data protection and Information Governance arrangements; to establish compliance and adequacy of information security, develop an action plan, create systems and policies etc, create a development plan for the Data Protection Officer, advise in relation to creating an Information Risk Group, create processes for handling and logging FOI/EIR/Subject access requests, develop a staff training plan, advise on the annual work plan and review the information security arrangements. The review findings and recommendation are detailed within the report, which is provided in the Appendix.
- 2.3 The report includes a clear action plan to improve information governance and to also ensure staff awareness of GDPR obligations. Since the report was drafted, the UK left the EU and so the matters outlined within the report, relevant to the EU should be disregarded. This point is considered further in the legal implications outlined below.
- 2.4 There is an intention to implement all the relevant report recommendations over the course of the next year. There are more complexities around implementing the recommendations that relate to information security as this involves work that needs to be conducted by 3C ICT, who provide IT support to the Combined Authority. Discussions have commenced with 3C ICT, to ascertain a plan of action. In terms of the more immediate priorities arising from the report, these include staff training, to avoid non-compliance and updating all policies.

Quarterly Report

- 2.5 The report recommended that quarterly reporting on information governance matters and key performance indicators be presented to the Audit & Governance Committee. That report would cover the number of data breaches and how they were handled, number of complaints received, timing of FOIs, cases referred to the ICO. However, the size of the CPCA and amount of FOIs, and information governance matters suggests that quarterly reports are too frequent given that the construct of Combined Authority means that information governance is not a vast work area. Instead, the Committee may determine that 6 monthly reporting is more appropriate.
- 2.6 The table below details the main recommendations of the report, progress to date and the target completion date.

Recommendation	Progress and target completion date (TCD)
Update policies where necessary	All policies are being updated. TCD Spring 2021.
Introduce Staff training programme to cover data protection and information/cyber security	<p>A UK GDPR training course has been identified. TCD Summer 2021. This will be mandatory for all staff with newly appointed staff also completing the course on induction.</p> <p>Search for Information security course is ongoing- TCD Summer 2021</p>
<p>Introduce Data Privacy Impact Assessments (DPIAs) for all new projects which involve the processing of personal information – <i>A Data Protection Impact Assessment (DPIA) is a process to help identify and minimise the data protection risks of a project. A DPIA must:</i></p> <ul style="list-style-type: none"> • <i>describe the nature, scope, context and purposes of the processing;</i> • <i>assess necessity, proportionality and compliance measures;</i> • <i>identify and assess risks to individuals; and</i> • <i>identify any additional measures to mitigate those risks</i> 	<p>Planned implementation date Spring 2021 This will be an ongoing task therefore no applicable TCD</p>
Create a new data protection section on CPCA website	The CPCA is launching a new website in March 2021. There will be a dedicated section on that website for data protection. TCD date is the website launch date.
Merge all Records Retention policies into a single policy	Yet to be undertaken TCD Summer 2021
Quarterly report on information governance matters and key performance indicators to be presented to Audit & Governance Committee (or equivalent body)	To be confirmed by the Committee
<p>Encryption of emails and removal of auto-populate function, regular penetration tests</p> <p><i>Penetration tests which is a process whereby an external specialist company is commissioned to</i></p>	<p>Liaison with 3C ICT has commenced in relation to implementation of encryption of emails and removal of auto-populate function TCD Summer 2021</p>

<i>investigate your environment for vulnerabilities i.e., attempting to hack the system.</i>	External organisations will be approached regarding penetration tests. Target completion date Winter 2021.
<p>Secure Public Sector Network (PSN) compliance or similar accreditation</p> <p><i>PSN compliance is a way to report security arrangements. It is how the CPCA could demonstrate to Government that its security arrangements, policies and controls are sufficiently rigorous for Government to allow the CPCA to interact with the PSN and those connected to it. The CPCA would have to apply for certification demonstrated by meeting compliance. Holding a valid PSN compliance certificate would give the CPCA permission to interact with the PSN in a specific, pre-agreed way.</i></p>	<p>This is planned as a long-term objective, should the CPCA decide to pursue PSN compliance.</p> <p>No TCD</p>
Draw up data sharing agreements with any third-party organisations where information is shared	<p>A number of DSAs have been draw up. This will be an ongoing action as the need for individual DSAs become apparent.</p> <p>No TCD</p>
<p>Conduct information audit and update Information Asset Registers</p> <p><i>An asset register records assets, systems and applications (e.g. word documents, archived emails, spreadsheets, databases, etc) used for processing or storing personal data across the organisation and was introduced as a requirement by the GDPR</i></p>	<p>Yet to be implemented but more beneficial if this commences after staff UK GDPR training</p> <p>Target date Summer 2021</p>
Review duplicated files	<p>Liaison with 3C ICT has commenced in relation to implementation -TCD Summer /autumn 2021</p>
<p>Appoint Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO)</p> <p>Development plan for DPO and recommendations for SIRO-<i>The final approaches will be determined by the Combined Authority but will align with UK law</i></p>	<p>The Deputy Monitoring Officer is the Data Protection Officer. The following email is now live: dpo@cambridgeshirepeterborough-ca.gov.uk</p> <p>The Monitoring Officer is the SIRO</p> <p>No TCD as ongoing roles</p>
Convene monthly Information Risk Group meetings	<p>Yet to be implemented</p> <p>TCD Summer 2021</p>

3. Financial Implications

3.1 None

4. Legal Implications

4.1 The Data Protection Act 2018 (DPA 2018) sets out the framework for data protection law in the UK. It updates and replaces the Data Protection Act 1998, and came into effect on 25 May 2018, but was subsequently amended on 01 January 2021 by regulations under the European Union (Withdrawal) Act 2018, to reflect the UK's status outside the EU.

4.2 DPA 2018 sits alongside and supplements the UK General Data Protection Regulation (UK GDPR). The UK GDPR is the retained EU law version of the General Data Protection Regulation ((EU) 2016/679) (EU GDPR) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018.

4.3 The ICO regulates data protection in the UK. Non-compliance with data protection law amounts to breach, with penalties for breach including the imposition of fines.

4.4 Data protection policies, privacy notices etc, adopted by the CPCA will be updated to reflect UK data protection laws.

5. Other Significant Implications

5.1 None

6. Appendices

6.1 Appendix – Information Governance Report

7. Background Papers

7.1 None



CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY

CPCA Consultancy Report on Information Governance for the Cambridgeshire and Peterborough Combined Authority

Author: Ciaran Ward
October 2020

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Abbreviations used in this report

CPCA – Cambridge & Peterborough Combined Authority
CRM – Customer Relationship Management
DPIA – Data Privacy Impact Assessment
DPA – Data Protection Act
DPO – Data Protection Officer
EEA – European Economic Area
ESFA - Education & Skills Funding Agency
EIR – Environmental Information Regulations
FOI – Freedom of Information
GDPR – General Data Protection Regulation
IAR – Information Asset Register
ICO – Information Commissioner's Office
IRG – Information Risk Group
NCSC – National Cyber Security Centre
SAR – Subject Access Request
SIRI – Serious Information Risk Incident
SIRO – Senior Information Risk Owner

Information Governance Consultation Report, October 2020

Summary

- Update policies where necessary
- Introduce Staff training programme to cover data protection and information/cyber security
- Introduce Data Privacy Impact Assessments (DPIAs) for all new projects which involve the processing of personal information
- Create new data protection section on CPCA website
- Merge all Records Retention policies into a single policy
- Quarterly report on information governance matters and key performance indicators to be presented to Audit & Governance Committee (or equivalent body)
- Encryption of emails and removal of auto-populate function, regular penetration tests
- Secure Public Sector Network (PSN) compliance or similar accreditation
- Draw up data sharing agreements with any third party organisations where information is shared
- Conduct information audit and update Information Asset Registers
- Review duplicated files
- Appoint Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO)
- Convene monthly Information Risk Group meetings

Background

This report is based on evidence and facts obtained from a series of conference calls between the author and key members of staff at Cambridge & Peterborough Combined Authority ("the Authority") which took place from 18th to 21st August 2020.

The CPCA formed in 2017 is a relatively small authority with approximately 75 employees so it is important to maintain a sense of proportion with regard to any information governance programme. The Authority has the following areas of responsibility:

- Developing the local economy
- Promoting the building of affordable housing
- Promoting adult education in the local area
- Commissioning and funding the adult education budget provision for learners within the local region
- Improving local transport and digital links

The personal data (as defined the GDPR and the Data Protection Act 2018) held and processed by the Authority consists of:

- Employee HR data (name, job title, home address, bank details)
- Members of the public who have signed up to newsletters
- Prospective students on adult education courses
- Members of the public who have participated in surveys (IP addresses)
- Names, email, home and employer addresses, salary bracket) and medical data of individuals who have signed up the 100K Homes affordable housing scheme

Objectives (Scope of work)

The scope of work in relation to this consultation exercise as laid out in the consultation agreement is as follows:

1. To review the current data protection and information governance arrangements held by the client including all policies, procedures and systems, with a view to establishing compliance and adequacy of information security.
2. To develop an action plan for the client for data protection and information governance
3. To produce a findings and recommendations report for the Audit and Governance on Information Governance and Data Protection
4. To create new and/or revised systems, procedures, policies and practices as required
5. To provide a development plan for the client Data Protection Officer
6. To advise on the creation of an Information Risk Group, who will meet monthly and handling issues and make decisions
7. To advise on the creation of processes for handling and logging FOI/EIR/Subject access requests
8. To create a staff training plan, and advise on materials
9. To advise on the creation of an appropriate annual work plan for data protection and information governance arrangements, and committee reporting

10. To review the information security arrangements in place, and to advise on any necessary remedial actions

11. To report to the Chief Legal Officer/Monitoring Officer on the above matters Policies mentioned above include but are not limited to the following:

- ICT users' policy/Information Security Policy
- Records Retention & Disposal Policy
- Privacy Impact Assessment template for new projects which involve the processing of personal data – eg procurement of new software systems
- CCTV Policy – (*N/A – CCPA does not operate CCTVs*)
- Covert Surveillance/RIPA Policy – (*N/A*)
- Information Risk Register
- Information Asset Registers for each department
- Data breach handling procedure
- Email encryption guidance

Action Plan

The action plan will address each of the points listed in the scoping schedule.

Review of Policies

The Authority's policies are generally well-written and fit for purpose, but I have picked up on a few points which require addressing:

Document Management Policy

Needs updating to reflect provisions of the current Data Protection Act 2018 rather than the old 1998 Act (page 2).

Requires more detail on the secure disposal of electronic and paper records. For example there is no specific reference to shredding of obsolete paper records either on or off-premise, or secure destruction of hardware – further details on page 14 of this report below.

Data Security Policy

The Data Security policy should be amended and updated to reflect the recent appointment of the Deputy Monitoring Officer as the Combined Authority's Data Protection Officer – see below:

*2.2. Our Privacy Officer is responsible for ensuring compliance with GDPR and with this policy. Your manager can advise you who our Privacy Officer is. **If we have cause to appoint a Data Protection Officer (an official appointment) or use a different title for a Privacy Officer, we will let you know and any reference to Privacy Officer shall include reference to a new title or a Data Protection Officer.** Any questions or concerns about the operation of this policy should be referred in the first instance to the Privacy Officer.*

Section 5 "Risks to Confidential Data" (page 3) should cross-reference the business records classification standards at section 5 (page 4) of the CPCA Document Management Policy.

8.4."If you are processing Confidential Data or Sensitive Data, consider who can see your screen whilst you are working (even if you are at home). If you are in a public place, e.g. on a train or whilst sitting in a café, take extra care that no one can see your screen and never leave a screen open on unattended Equipment"

The option of using a privacy screen to fit to one's device in such circumstances should be encouraged.

6.4."Use a secure password on Equipment to prevent unauthorised access and change your password regularly".

It is recommended that passwords should automatically require changing every 90 days and should contain at least 10 alpha-numeric characters for added security (as set out in the 3C ICT Policy, page 174).

Data Protection Policy

The section on transferring data overseas (page 4) requires amending:

“Transferring information overseas

If you're your personal information is transferred outside the European Economic Area (EEA) for processing or storage purposes the Cambridgeshire and Peterborough Combined Authority will ensure that safeguards are in place to protect it to the same standard we apply. We will ensure that any transfer only takes place if:

- a. The European Commission has decided that the country or the organisation we are sharing your information with will protect your information adequately.***
- b. The transfer has been authorised by the relevant data protection authority, and/or***
- c. We have entered into a contract with the organisation with which we are sharing (on terms approved by the European Commission), to ensure your information is adequately protected.”***

As Mailchimp and Survey Monkey (both based in the USA) are used for collecting data (by Energy Hub and Comms team respectively) this statement is inaccurate. I have recommended below that the Authority either stops using these providers or documents this usage as an official risk (eg to be added to Corporate Risk Register). Either way the above statement from the Data Protection Policy needs to be amended.

The Data Protection Policy should also be updated to include brief sections on the following of a paragraph each in length:

- Roles of the DPO and SIRO
- Data Privacy Impact Assessments (See Appendix 5)
- The reporting and handling of data breaches

Company Owned Mobile Device Policy

This policy is generally adequate, but I would recommend some additional wording.

I would recommend adding the following paragraph to section 5 (“Security”) to ensure that security measures are not bypassed:

“Mobile communications equipment supplied by the Authority must not be altered or added to in any way including:

- **Unauthorised upgrades**
- **Addition of components**
- **Removal of components – including transferring an Authority SIM card to a personal phone**
- **Altering configuration or security settings**
- **Installation of non-approved applications”**

Processes for handling and logging FOI/EIR/Subject access requests

FOIs are currently logged on excel spreadsheets using a numerical naming system. The authority receives an average of 30 FOI/EIR requests per year. Therefore there is currently no financial justification for procuring an FOI management system.

If feasible however, it may be worth looking into using an existing Customer Relationship Management (CRM) System for the recording of such requests.

FOI requests are generally answered by the service area responsible and logged by the Governance Assistant.

It is important to have a clear distinction between FOI and EIR requests. Although they can be kept on the same database and given a similar code, requests should be clearly designated – especially when dealing with exemptions and when an internal review is launched. EIR requests for example may be related to the environmental impact of house building or development of transport infrastructure.

Subject Access Requests (SARs) - ie requests for personal information from the individual data subject concerned are rarely received. Any such requests are currently held on a confidential spreadsheet. This practice should be maintained as long as current trends continue – subject to standard security measures – ie restricted access only for those employees who require access.

Privacy Notices

All information gathering processes where data from members of the public is collected will require a privacy statement.

The CPCA already employs privacy statements for 100k Homes, Transport Plan and Adult Education Budget, as well as a general authority-wide privacy notice.

100k Homes

This is the service area responsible for promoting affordable housing for local residents and previously came under the jurisdiction of East Cambridgeshire Community Housing.

Although now part of the CCPA, 100K Homes has a separate website from the main CPCA website

100K Homes collects personal information on members of the public (mostly names, email, home, employment addresses and salary bracket) – but in some cases medical data – eg clients with mobility issues requesting a basement flat – so they can be added to the mailing

list – approximately 2500 individuals at the time of writing. The main condition for processing is consent.

In the case of information relating to the health or medical conditions of the applicant (which falls under GDPR definition of “special category” data) it is recommended that a policy document is completed to determine conditions for processing and other compliance- related factors such as retention and disposal – as set out on Schedule 1, Part 2 of the Data Protection Act 2018. It should also be made clear on the form whether the collection of such data is compulsory or optional for the purposes of the project in hand.

The Data Protection Act 2018 (DPA 2018) outlines the requirement for an Appropriate Policy Document (APD) to be in place when processing special category data under certain specified conditions. So if 100k Homes requires the collection of medical or health-related information from clients a policy document should be completed to ensure GDPR compliance. Further details are available on the [ICO website](https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/).

Privacy Notice for 100k Homes - <https://www.100khomes.co.uk/privacy.htm>

As the server for HubSpot (the software system used by 100K Homes for storing personal data) is based in the Republic of Ireland, this privacy statement should be amended as per below – ie change “United Kingdom” to “European Economic Area”.

Transfer of data from the UK to the EEA is considered safe up until the end of the Brexit transition period on 31 December 2020.

“Who we share your personal information with

We routinely share the personal data outlined above with HubSpot. HubSpot is a customer relationship management (CRM) provider, which stores your information securely on behalf of the CPCA.

This data sharing enables us to keep your information secure and accessible only to authorised persons.

We will share personal information with law enforcement or other authorities if required by applicable law.

*We will not share your personal information with any other third party. We do not transfer your personal data outside the **United Kingdom. European Economic Area**”*

Recommendations for 100k Homes:

- Retrospective DPIA required to cover the risks of processing personal information (See Appendix 5)
- Information Asset Register to be updated as it still refers to the previous parent organisation East Cambridgeshire Community Housing

- Policy Document to be completed to ensure GDPR compliance concerning processing of “special category” personal data – see [guidance on ICO website](#):

Adult Education Budget (AEB) Team

This service area collects data on adults (name, address, date of birth) in the local area who wish to register for education courses at local colleges. The data is inputted from a government website the Education & Skills Funding Agency (ESFA) using a CSV file and then stored within a secure Sharepoint file.

The data collecting procedure is governed by a privacy statement/fair processing notice. However there is no evidence of a Data Privacy Impact Assessment (DPIA) having been completed in order to assess the potential risks and compliance levels.

Recommendations:

- DPIA to be completed for this data processing exercise – see Appendix 5
- Draw up data sharing agreement with ESFA to ensure GDPR compliance

To advise on the creation of an appropriate annual work plan for data protection and information governance arrangements, and committee reporting

Recommendation: Quarterly report to Audit & Governance Committee (or equivalent body) on performance – eg number of data breaches and how they were handled, number of complaints received, timing of FOIs, cases referred to the ICO, etc – to be presented to board by DPO - and subsequently published on CCPA website in the interests of public transparency. An example of such a report (containing a Freedom of Information/Subject access update and a GDPR update can be found on the [Guildford Borough Council website](#).

To review the information security arrangements in place, and to advise on any necessary remedial actions

It would be advisable for CPCA to obtain some form of cyber-security accreditation such as Cyber Essentials or ISO 27001, and to procure a recognised anti-malware package such as F- Secure.

Passwords should have ten characters consisting of one uppercase, one numerical and one special character – and as outlined in 3C IT user policy - should be changed every 90 days.

ICT

The Authority's IT services are outsourced to 3C ICT who also provide for three other local authorities in the region.

All three local authorities have Public Sector Network (PSN) compliance, but this does not apply directly to the Combined Authority.

3C ICT has an Acceptable Use of ICT Policy for staff and users.

Recommendation: CPCA to use this policy as a template for implementation of its own acceptable use of ICT policy with specific application to the Authority. CPCA to look into securing PSN compliance (time and resource complaints permitting).

General Recommendations

- To facilitate public transparency and confidence this report recommends the creation of a data protection section on the CPCA website. This section should include links to relevant policies and authority privacy statements and information rights which members of the public are entitled to – eg right of access, right of erasure, etc
- Staff training in both data protection and cybersecurity – either electronic (eg Workrite provide an efficient and user-friendly online [GDPR training package](#)) or through face-to-face classroom-based session – should be made mandatory – and co-ordinated by HR. Staff specialising in FOI or DP should undertake more detailed specialised training. The fact that an estimated 90% of all data breaches are caused by human error (according to data received by risk consulting firm Kroll) underlines the crucial need for an effective staff training programme.
- Annual penetration tests to be carried out on CPCA infrastructure – this responsibility should come under ICT. (A penetration or “pen” test is an authorised simulated cyber-attack on a computer system designed to test the security of that system). Annual pen tests are standard procedure within many organisations. Further guidance can be found on the [NCSC website](#).
- Purchase an email encryption tool like [Egress](#) (Budgetary restraints permitting).
- Retrospective due diligence/Data Privacy Impact Assessments to be carried out for external software providers:
 - Hubspot (CRM system) – holds data on approximately 6000 individuals
 - Citrus (HR system)
 - Agresso (Finance system) – DPIA is incomplete (the “Action to be taken” table on the last page has all dates for completion of actions listed as “tbc”, no contact details or names of authorised officers are provided) and sign-off is required by an appropriately authorised officer so the process can be properly documented (see Appendix 5)
- **Privacy by design** – ensure that all external software providers have functions to enable data to be deleted easily and efficiently when it is no longer required (see DPIA guidance above)
- Any corporate decisions made with regard to information governance should be appropriately documented within an official record to ensure

adequate transparency and accountability (see Appendix 4 – Official Record of a Decision)

- Introduce a procedure around employees who have left – ie accounts/passwords to be disabled immediately following their final day of employment. Procedure to be integrated into HR Privacy Notice
- Confidential HR hard copy records are currently stored at the Ely offices. Non- confidential records are kept in a specialised container. Although most of these records are less than 5 years old a review of the disposal dates, and if required a purge of redundant records is recommended. The purpose of this recommendation is two-fold – to save on storage costs, and to ensure GDPR/data protection and FOI compliance.

A DPIA assessing any risks within the physical storage facility would be advisable especially with records being kept at two different locations. This should also be reflected in the Authority's Business Continuity Plan.

- As the organisation is a relatively new one it is unlikely to have much in the way of outdated or obsolete records. However, it is important to regularly delete "Redundant/Obsolete/Trivial" (ROT) emails and other records. Obsolete emails, for example can easily accumulate quickly in an inbox and this can have an impact on GDPR compliance and the efficient delivery of FOI/SAR requests. Ideally emails which still have a business value should be archived on a standard storage platform such as Microsoft 365 or Sharepoint, rather than in the employee's inbox.

It is unrealistic however to expect employees to regularly transfer emails to these platforms, but there are various options which could be explored by the ICT team. As a minimum requirement, staff should be encouraged to delete redundant emails on a regular basis.

- Laptop hard drives must have full disk encryption applied with a minimum of 128 bit AES (NB this is a suggested standard and should not be taken as definitive – please contact CCPA's IT rep for advice)
- Create Information sharing agreements with partner organisations – ie central government, other local authorities to document all instances where personal data is shared with third parties - eg the sharing of adult education-related information with ESFA.

Data Privacy Impact Assessments (DPIAs) - A standard template Privacy Impact Assessment form for new projects which involve the processing of personal data – eg procurement of new software systems – should be agreed on by the IRG and communicated to staff. The ICO website provides a ready-made form:

<https://ico.org.uk/media/about-the-ico/consultations/2258461/dpia-template-v04-post-comms-review-20180308.pdf>

On completion the DPIA should be approved by the DPO and signed off by the Information Asset Owner or Project Manager as well as by an appropriate director/senior manager.

See Appendix 5 for a sample DPIA.

Information Mapping and Data Flow - Based on the findings of this report, the only service area within the CPCA which has an Information Asset Register (IAR) - also known as a “Record of Processing Activity” (ROPA) - at present is Community Housing. The IAR is a legacy of the East Cambs Trading Company and therefore needs updating to reflect the present set-up. See Appendix 2 for a worked example.

Each service area of the Authority should therefore submit a spreadsheet containing details of its information assets and data processing which should be approved by the DPO and retained for future reference. It is of crucial importance that the Authority is able to justify all processing of information according to the conditions for processing under the Data Protection Act 2018 and the six lawful bases as stated in the [Article 6](#) of the GDPR.

More detailed email encryption guidance for staff required – Pages 4-6 of the general Document Management Policy contain guidance on the classification and mark-up of business records.(ie restricted/confidential/ general/ public). This guidance is generally sound. However with regard to email, while there is guidance on specifying classification level within the email subject field, there is no mention of any email protection system such as Egress, nor is there advice on protecting or encrypting attachments within emails.

Draw up data sharing agreements with any third party organisations where information is shared – eg ESFA, other local authorities, applicable central government departments

The setting up of an Information Risk Group to meet monthly for handling issues around and making decisions (see above for details)

Merge all Records Retention policies into a single policy – The HR department currently has its own policy on retention separate from the overall Authority policy. The reasons for this are largely historic in that the Authority’s HR policies were based on the existing policies used by Peterborough City Council.

It is recommended however that the two should be merged into an overall authority-wide policy for the sake of consistency and transparency.

The two policies also contain conflicting guidance.

For example the general policy (the “Document Management Policy”), on page 8 states the following retention period for employee leave records:

“Process of monitoring staff leave and attendance - Destroy 2 years after action completed” –

Whereas the HR policy (page 2) confusingly lists leave records within the same category as general employment contract data and states the following:

“While employment continues and for 6 years after the last day of the last complete tax year during which they worked, except if any claim is made within that time, in which case the claimant’s data will be held until completion of the claim.”

Similarly, regarding recruitment-related records (page 2) the HR policy advises deletion ***“6 months from the date of offer or rejection, except if any claim is made within that time, in which case the claimant’s data will be held until completion of the claim.”***

The general policy (page 8) does not make reference to potential claims, but simply states that such records should be destroyed ***“1 year after recruitment has been finalised”***.

To ensure GDPR compliance and good records keeping practice, it is important the contents of the two policies is harmonised. Cross-reference should also be made to the 3C ICT Policy’s guidance on the secure disposal of hardware (page 68) which makes the following statements:

“the equipment or media must have any information and software irreversibly removed. It must be physically inspected by IT staff or their agents to determine that this process has been successful.”

“If the appropriate precautions are not taken to carefully remove all sensitive information from hard disk drives, memory and accompanying storage media the risk of exposing confidential or sensitive information is very high. Simple file deletion is generally not sufficient and the files must be totally removed or overwritten by a separate utility program to ensure they are unable to be retrieved. In some cases total destruction may be the preferred option.”

Cyber Essentials certification

Cyber Essentials is a government backed scheme which assists organisations in protecting their networks against common cyber threats.

<https://www.ncsc.gov.uk/cyberessentials/overview>

Carry out an information Audit (see appendix for worked example of Information Asset Register) to include a record of:

- all categories of data held by each service area
- format – eg held within a cloud-based database, within CPCA system – word, excel, hard copy, etc
- level of sensitivity
- who has access to it
- retention/disposal period

This is essential for GDPR compliance as well as in answering FOIs/SARs as it is important for any organisation to know what data it holds, and where this data is located. It is also important that records which no longer have a business function are regularly deleted in accordance with retention and disposal schedules.

Working from home – there is currently a Self Assessment Checklist issued by the HR team for employees working from home, but it does not cover any security or data protection-related issues (see table of risks below).- eg awareness of phishing scams, multi-factor- authentication (MFA), the importance of locking one's screen when away from laptop, etc.

Recommendation: to add the above points to HR Self Assessment Checklist

Summary of Risks (see Risk Register below for full details)

- Lack of staff knowledge/training.
- Internal training is also required – eg workshops – refresher training every 2-3 years to update skills and knowledge
- Customer data on Hubspot – only employees who have a direct business need to access this data should be granted access
- Lack of buy-in or awareness of risks from senior management
- Remove auto-populate (ie predictive text) function from corporate email as this only increases the risk of emails being inadvertently sent to the wrong person who may have a similar name to the intended recipient
- **Cybersecurity** - The Authority should be wary of Hacking/Ransomware/cyber-attacks (see Risk Register below). Local authorities have been targeted before resulting in severe disruption to services and considerable financial loss.

A cyber-attack on [Redcar and Cleveland Council's computer systems](#) is estimated to have cost more than £10m and left approximately 135,000 people without access to online services in February 2020.

A [report by privacy group Big Brother Watch](#) found that 114 councils had experienced at least one cyber attack between 2013 and 2017.

The NCSC defines a cyber-attack as “a malicious attempt to damage, disrupt or gain unauthorised access to computer systems, networks or devices, via cyber means”.

- The HR department plans to transfer all policies from Sharepoint to Citrus – but there is currently some degree of duplication. It is therefore important that all duplicated HR files in Sharepoint (that were migrated over to Citrus) are reviewed and deleted where necessary.

Development Plan for DPO

The main functions of the Data Protection Officer are as follows:

- Deciding on whether reported incidents constitute a data breach – and if so whether they should be reported to the Information Commissioner’s Office (ICO).

- Conducting investigations into any alleged data breaches, writing up relevant reports and deciding on appropriate course of action – see Appendix 3.
- Review existing data-related policies every 2-3 years and update where required.
- Monthly reporting to Corporate Governance Group (or equivalent body) and presence at other meetings of senior management where appropriate.
- Quarterly reporting to Mayor and Board on Key Performance Indicators – reports to be published on CPCA website for public transparency.
- To be present as an advisor to senior management and SIRO where all decisions with data protection/security implications are made – eg the procurement of a new software system or electronic database; or a corporate restructure.
- To serve as main point of contact for the ICO on all data protection issues, including complaints, appeals and data breach reporting.
- To assess risks relating to organisation-wide projects involving the use of personal data – eg procurement of databases, restructuring exercises – this will include the co-ordination of Data Privacy Impact Assessments (DPIAs) prior to implementing any such projects.
- To present monthly DPO report at Information Risk Group meeting (see details below).
- To review and approve a register of processing operations (ie information asset registers maintained by each service area – see above).
- Conducting reviews of contested FOI/EIR/Subject Access requests (this can be done by either the SIRO or the DPO dependent on whether either party was involved in the original decision).
- To oversee renewal of annual registration of CPCA as a data controller with the ICO.

- To advise the authority on privacy notices to data subjects at the point of collection and their personal data, pursuant to articles 12-15 GDPR.

Recommendations for DPO

- Undertake course in DP training – Act Now, Amberhawk and PDP are all recommended reputable providers. (It would also be desirable to have an FOI qualification).
- If practically possible the DPO should be issued with a separate email account – eg dpo@cambridgeshirepeterborough-ca.gov.uk - to be published on the Authority's website as the public's main point of contact for matters involving personal data

Recommendations for SIRO

The Senior Information Risk Owner (SIRO) should be a senior officer who provides assurances to the CEO on information risk issues. The Monitoring Officer for example could carry out this role.

Although there will be some degree of overlap with the DPO role, the SIRO role should consist of the following activities:

- Attending monthly IRG meetings (see below for details)
- Ensuring that information risks are followed up and incidents managed
- Overseeing the development of information risk policy – eg reviewing and approving new and existing policies
- Reviewing and agreeing actions in respect of identified information risk issues
- Ensuring senior management is kept up to date on all information risk issues affecting the Authority and its business partners
- Ensuring the Authority's approach to information risk is effective in terms of resources and execution, being appropriately communicated to all staff

All data breaches should immediately be reported to the SIRO.

Information Risk Group

The Information Risk Group (IRG) should meet monthly and consist of the Senior Information Risk Owner (SIRO), DPO and (if applicable) a senior IT officer and information governance officer (or nearest equivalent role).

The group should be used a forum for decision-making on important matter – eg new protocols, action on breaches, development plans, etc. The Group should maintain a register of ongoing issues which should be updated after every meeting.

Recommended format of IRG meeting:

- Minutes from previous meeting (including actions) – it is recommended that a spreadsheet of ongoing and completed actions is maintained and reviewed/amended at every meeting
- DPO update (covering breaches, complaints, new projects, initiatives, new data legislation, latest ICO news)
- SIRO update
- Information Security update (to be presented by equivalent member responsible for information assurance/security) - eg this could be a member of the outsourced ICT team
- FOI/SAR update – to include latest monthly performance stats, any particularly difficult or complex requests, escalation of cases, application of exemptions, ICO appeals, overdue cases, etc
- Review of Register of Ongoing Issues

Appendix 1 - Key risks

Risk	Description	Potential consequences	Solution
Lack of staff training/knowledge	Most employees have not had formal training or experience in information governance	Breach of GDPR due to data being mishandled or avoidable error being made	Implement training programme across CPCA; make GDPR/DP and cybersecurity training compulsory for all staff New staff should be automatically enrolled on training which must they must complete in order to pass probation Refresher training for staff every 2-3 years
Auto-populate function in Outlook email system	Email system has predictive text function which automatically suggest email address after the first 3-4 letters are typed into the "To" field	Data breach caused by message being sent to the wrong person who may have a similar name to the intended recipient	Disable auto-populate function across the organisation There may be opposition to this idea due to apparent inconvenience – if the proposal is overruled by senior management, this decision should be officially documented (see Appendix 4)
Use of Survey Monkey by Comms Team	Collects IP addresses of respondents	Service is based in USA, therefore personal data (IP addresses) collected will leave the EEA, creating a risk of lost or compromised data	Conduct Surveys via existing Hubspot CRM platform or switch to an EU-based tool such as SmartSurvey (If Authority wishes to remain with SurveyMonkey this risk should be officially documented in Corporate Risk Register - and privacy statement should advise that data is being held outside EEA)
Use of Mailchimp by Energy Hub team for electronic newsletter mailouts	Collects email addresses of individuals who have signed up	Service is based in USA – see above	Switch to an EU-based mailing tool such as Sendinblue, GetResponse or Moosend ((If Authority wishes to remain with Mailchimp this risk should be officially documented and privacy statement should advise that data is being held outside EEA)
Accidental retention of data beyond statutory date	Files kept on system which if not regularly cleansed	Risk of GDPR breach	Regular data cleansing exercises

	can easily be forgotten		
Lack of cybersecurity accreditation	Level of cyber threats not fully realised	Attack on authority networks	Apply for CyberEssentials certification https://www.ncsc.gov.uk/cyberessentials/overview
Duplication of records	Inefficiency	Risk of GDPR breach if sensitive/personal data is duplicated unnecessarily	Implement Records Management Policy
Lack of policy on leavers	Employees who leave taking confidential or sensitive data with them; failing to return electronic equipment	Leaking of sensitive information potentially leading to financial (eg fine from ICO) and reputational damage	Incorporate section on leavers in Data Security Policy – to include provision that all leavers should have their IT accounts disabled automatically after leaving and the IT security officer (or equivalent postholder) should always be notified
Cyber-attacks	Ransomware or hacking attacks directed at CPCA's ICT infrastructure	Financial (eg fine from ICO) and reputational damage	Use a suitable tool like F-Secure, McAfee or Bitdefender – liaise with 3C ICT
Lack of standardisation within staff information management practices	Inconsistency which could lead to breach	Financial (eg fine from ICO) and reputational damage	Standardisation of policies and procedures across the combined authority
Collecting personal data without adequate DPIA in place	Personal info being collected without consideration of the risks and impact on personal privacy involved	Financial (eg fine from ICO) and reputational damage (eg insufficient security controls can in some cases lead to users accessing the personal data of others)	Existing DPIA in place for Agresso (financial system) is incomplete DPIAs to be completed for Citrus and Hubspot
Impact of staff WFH due to Covid lockdown	Lack of staff awareness concerning security of laptops/mobile devices	Data breaches	Complete DPIAs; arrange appropriate staff training; introduce clearer protocols on use of mobile devices (see above)

Appendix 2 - Sample Information Asset Register (IAR)

Name of system, process or information asset	Types of information held	Purpose	Format	Location	Security controls in place	Responsible officer	Protective marking	GDPR Article 6 Legal basis for processing (if the data is personal)	Retention period
Staff training	Dates, course details, employees who attended	Health & safety, statistical reporting	Electronic	Sharepoint	Access restricted to HR team only	<i>[insert name of asset owner]</i>	Protect	Public task	40 years for health & safety training, 6 years for other training
Payroll, salary, allowance, expenses	Contract hours, mileage, timesheets, etc	Audit purposes, statistical reporting, HMRC	Electronic	Citrus	Password protected	<i>[insert name of asset owner]</i>	Protect	Public task; performance of a contract	6 years
Pensions information	Pensions paid into scheme	Future pension attainment	Electronic	Citrus	Password protected	<i>[insert name of asset owner]</i>	Protect	Public task; performance of a contract	100 years
Sickness absence	Dates of sick leave, reasons, triggers and stages, occupational health	For monitoring sickness; statistical reporting	Electronic	Citrus	Password protected	<i>[insert name of asset owner]</i>	Protect	Public task; performance of a contract	6 years
Contractual information	Changes to contract letters, DBS, Probation	Audit purposes, response to queries	Electronic/paper	Citrus	Password protected	<i>[insert name of asset owner]</i>	Protect	Public task; performance of a contract	6 years

Appendix 3 - Template form for recording data breaches

(To be used in conjunction with PERSONAL DATA BREACH NOTIFICATION POLICY)

Personal Information Risk Incidents Report Form

Serious Information Risk Incident (SIRI) Category* (DPO to complete)	(eg Near miss)			
Service Area				
Summary & Chronology of incident				
Date and time reported to the Council				
Is this is a s170 offence?*				
Total number of individuals affected				
Is financial or special category** personal data involved?				
If YES, please describe in more detail				
Format of the information	PAPER	DIGITAL (Unencrypted)	DIGITAL (Encrypted)	OTHER
Have the affected individuals been informed?				
What was the cause of the incident?				
What can be done to prevent reoccurrence?				
Has the incident been reported to the ICO?				
Is there potential for media interest?				
DPO COMMENTS OR RECOMMENDATIONS				

SIRI Category

0 = near miss

1 = Confirmed security risk, but no need to report to ICO (can be dealt with internally)

2 = Confirmed security risk which must be reported to ICO within 72 hours

*Section 170 Offence – the criminal offence of knowingly or recklessly and without authorisation obtaining, disclosing or selling personal data under s170, DPA 2018

Special category personal data – Racial or ethnic origin, political opinions, religious beliefs, trade union membership, physical or mental health, sexual life, legal or court proceedings, biometric data

Appendix 4 – Official Record of a Decision (SAMPLE)



Proposal to remove Auto-populate function in Outlook email system

Following a monthly meeting of the Information Risk Group on [dd/mm/yy] it was recommended to the Board that the auto-populate function (predictive text tool) be disabled from the CPCA's email system for all users. This action would prevent data breaches in that emails would not be sent erroneously to recipients with similar names to the intended recipient.

It was noted that [X] breaches occurred during the past [Y] years as a result of auto-populate.

A report was presented to the Board by the DPO outlining the current risks and assessing the impact of removing the function

Decision: The proposal was approved/overruled by the Board (**delete as appropriate**)

If proposal was overruled, provide details of reasoning below:

Appendix 5 - Sample Data Privacy Impact Assessment (DPIA)

(NB - The company referred to below is fictional, but the DPIA is based on a real life example)

Data Privacy Impact Assessment for NovaRap

General Information

1	NAME OF PROJECT/PROCESS	Purchase of NovaRap (software package for producing e-newsletters)
2	OBJECTIVE Describe the established and proper legal basis for the scheme	To save money on print and postage (approximately £40k per year) we are replacing this channel of communication with a digital e-newsletter/new emailing platform to communicate effectively with residents, businesses and visitors
3	BACKGROUND Why is the use of personal information required?	Names and email addresses required so we can communicate with local residents to keep them up to date with our services and promote events. We will also ask for further information such as areas of interest so we can tailor our communications to specific topics
4	Benefits to the Authority and other parties or stakeholders	The new emailing platform will enable us to become more cost-effective and develop a new targeted marketing strategy
5	Constraints	GDPR and data protection compliance when collecting data – see below
6	QUALITY EXPECTATIONS – ie how will the system improve existing practices?	The new software will allow us to engage with audiences directly and improve the quality of interaction. With the new system we will be able to send more frequent updates in a cost-effective way. There is potential to use the platform for effective communications
8	Cross reference to other projects	Service saving costs – for the Authority to go paperless
9	Project Manager	Strategy & Communications manager
10	Information Asset Administrator (normally the head of the relevant service or team manager within the department concerned)	Head of Communications
11	CUSTOMERS & STAKEHOLDERS	Local residents, businesses, councillors, senior management, local media

	Screening Questions	
1	Does this project involve the use of special category (sensitive) information?	No
2	Does this relate to (1) a new ongoing process or (2) a	(2) we will be acting as data

	permanent change in the way the Authority will handle personal information?	controller
3	Will you be using the information about individuals for a purpose or in a way in which it is not currently used?	It will be the first time the Authority has used an email information platform
4	Will information about individuals be disclosed to organisations or people who have not previously had access to this information?	No
5	Does the project involve the matching or other aggregation of personal information from different sources which could have an impact on privacy?	No

Consultation Describe what prior consultation carried out?	The decision was made by senior management with support of the Executive following lobbying by the Communications team
Privacy and related risks 1. What are the identified risks? 2. What safeguards will be employed?	1. Data breaches in the event of a cyber-attack or misuse of the personal data either maliciously or inadvertently 2. NovaRap are GDPR, ISO 27001 and CyberEssentials compliant. The system includes safety lockout, a session-based security tool
Which conditions for processing personal data as per GDPR/Data Protection Act 2018 does this use of information meet?	We will be using an opt-in system to obtain consent from people signing up to the newsletter which includes our privacy policies
You must ensure that data subjects are informed of: <input type="checkbox"/> The identity of the data controller <input type="checkbox"/> The identity of the data processor <input type="checkbox"/> The purpose for which the information will be used <input type="checkbox"/> Any further details required to ensure fair and lawful processing	Data controller = CPCA Data processor = NovaRap Purpose – to inform residents and businesses about the Authority NovaRap complies with the Privacy & Electronic Communications Regulations 2011, which sets out more specific privacy rights around electronic communications
What process is in place to ensure disposal of personal information which is no longer required?	After identifying those who have opted out their data can be deleted
If relying on consent for the processing of the personal information, how will withdrawal of consent be handled?	Those who wish to unsubscribe will be manually removed from the database. The system also allows us to suppress a contact from receiving emails from us.
What measures are required to keep the information safe, available and reliable? How will unauthorised access or use be identified?	Unauthorised internal access and weak passwords will be prevented through data security assurances, including staff training. NovaRap reduces threats through highly secure industrial standard encryption to protect all data in transit between their servers and the user. All tracked and identifiable data between sender and recipient is also encrypted

What training is required to ensure staff know how to handle the information securely in accordance with procedures?	Training will be provided to staff about to send, share and store the data securely
Will the process include the transfer or storage of personal information outside of the European Economic Area either directly or by the internet (cloud) or website? If the answer is yes, how will you ensure that the personal data is adequately protected or otherwise meets the requirements of the sixth GDPR principle (integrity and confidentiality)?	No Not applicable

Information Asset Owner's declaration and signature

I confirm that I have considered the processes outlined above and can confirm they will be compliant with the Data Protection Act 2018 and the General Data Protection Regulations (GDPR). I hereby authorise acceptance of this Privacy Impact Assessment:

Name: F. McNally

Job title: Strategy & Communications Manager

Signed:

(SEE ATTACHED NOVARAP'S PRIVACY STATEMENT AND DATA SECURITY GUARANTEE)



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No:9

Report title: Standing Enquiries

To: Audit and Governance Committee

Meeting Date: 5 March 2021

Public report: Public Report

From: Robert Parkin
Monitoring Officer

Recommendations: The Audit and Governance Committee is recommended to:

A) Note the contents of this report; and

B) Request that a report be brought on a six-monthly basis which provides an update on whistleblowing, fraud, and complaints.

Voting arrangements: a simple majority of members present.

1. Purpose

- 1.1 The report sets out a proposal for how the Committee should consider updates on whistleblowing, fraud and complaints.

2. Background

- 2.1 At the November Audit and Governance Committee a member raised a query around how the Committee members should have sight of any claims of fraud, complaints and reports of whistleblowing at the Combined Authority and requested that this be reported to each Audit and Governance Committee meeting.
- 2.2 Following this meeting officers had discussions with the External and Internal Auditors who advised that the following areas were already covered in the updates provided to the Committee:
 - Incidents of fraud at the Combined Authority are reported to the Committee via the Internal Auditors report received at each meeting, any incidents are also discussed with the Chair of the Committee who can then include it in Chair's Announcements at the start of each meeting if he deems necessary.

- Actual or pending claims or litigations against the organisation, any breaches of laws or regulations, any correspondence with regulators or authorities are provided in the annual confirmation as part of the accounts approval process unless there is something significant or in the public domain which would be discussed with the Chair and brought to the Committee's attention if necessary.

2.3 The Committee also receive a breakdown on the number of Complaints, FOI Requests, Whistleblowing as part of the Audit Committee's Annual Report, which is reviewed and approved at the start of each municipal year. Separately, the report on information governance (also on the agenda for this meeting) sets out a cadence for reporting on information governance matters.

2.4 This report proposes that an additional report updating members on whistleblowing matters, complaints, and fraud be brought to the committee on a six-monthly basis.

3. Financial Implications

3.1 None.

4. Legal Implications

4.1 None.

5. Background Papers

5.1 [Audit and Governance Minutes – 27th November 2020](#)

5.2 [Audit and Governance Minutes – 29th January 2021](#)



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No:10

Report title: Audit and Governance Committee Work Programme

To: Audit and Governance Committee

Meeting Date: 5 March 2021

Public report: Public Report

From: Anne Gardiner
Scrutiny Officer

Recommendations: Note the work programme for the Audit and Governance Committee for the 2020/21 municipal year attached at Appendix 1 and agree to regularly review the work programme at each meeting.

Note the work programme for 2021/22 attached at Appendix 2.

Voting arrangements: N/A

1. Purpose

- 1.1 To provide the Committee with the draft work programme for Audit and Governance Committee, looking ahead to the 2020/21 and 2021/22 municipal year.

2. Background

- 2.1 In accordance with the Constitution, the Audit and Governance Committee must perform certain statutory duties including the approval of accounts, governance arrangements, financial reporting and code of conduct.
- 2.2 A draft work programme which outlines when these decisions are taken for the current municipal year is attached at Appendix 1.
- 2.3 The document attached at Appendix 1 provides commentary on items received by the Committee over the last two municipal years (including the current one) alongside future items to be received throughout the remainder of this municipal year. This includes those items that must be considered annually by the committee.
- 2.4 The document attached at Appendix 2 provides the proposed work programme for 2021/22, this includes items that must be considered annually by the committee.

3. Financial Implications

3.1 None.

4. Legal Implications

4.1 None.

5. Appendices

6.1 Appendix 1 – Work Programme 2020/21

6.2 Appendix 2 – Work Programme for 2021/22

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME 2019/20 – 2020/21

Meeting Date 2020/21	Item	COMMENTS
29 January 2021 Virtual Meeting	Combined Authority Board Update - Update on MCHLG work	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits including Cyber Security and IT systems and the attempted fraud
	External Audit – Draft Audit Plan	The Committee receive the draft Audit Plan and comment whether the planned audit is aligned with the Committee's expectations.
	Treasury Management Strategy Update	The Committee receive the report which provides the Audit and Governance Committee with an update on the Combined Authority (CPCA)'s

		Treasury Management Strategy.
Meeting Date	Item	COMMENTS
5th March 2021 - Extra Meeting		
	Minutes	
	Assurance Framework	The Assurance Framework is a set of systems, processes and protocols, which along with standing orders, financial regulations, departmental procedures, and codes of practice is linked in a hierarchy of management and financial control procedures, which clearly define the responsibilities of members and the duties of the CPCA's officers, consultants and partners. – Approved annually.
	External Audit – Outline Audit Plan	
	Information Governance Update	
	Constitution Update – Housing Committee	
	Capital Investment Strategy	
Meeting Date	Item	COMMENTS
6 April 2021 Venue: TBA		
	MEETING	INTERNAL & EXTERNAL AUDIT
	Combined Authority Board Update	Standing item on the agenda when a chief officer

		or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Independent Commission on Climate Change	Update requested at 31 July 2020 meeting
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Audit Plan	The Committee receive and approve the final audit plan prepared by the external auditors
	Governance (decision-making) Review	Committee to receive an update to review any issues/concerns raised (Executive Committees) etc
	Adult Education Budget	
Meeting Date 2020/21	Item	COMMENTS
ITEMS TO BE SCHEDULED		
	Governance Review of the Business Board	

	Trading Companies (Development Session)	AUTUMN/WINTER 2020/21
	Audit & Governance Committee Annual Constitution Review	AUTUMN 2021
	Member Skills Training (joint session with the O&S Committee)	WINTER 2021
	Occurred Meetings – Work Programmes	
19 July 2019 Fenland District Council	Internal Auditors Annual Report	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019
	Statement of Accounts 2018/19 and External Audit Final Results	<p>The Committee resolved that: i) That the Chief Executive circulate the draft statutory notice to the members of the Audit and Governance Committee prior to publication.</p> <p>ii) That the Chief Executive liaise with all affected constituent Councils and send a letter to government expressing their dissatisfaction with the auditors performance and the impacts this has had on each Council.</p> <p>iii) That the Chair of the Audit and Governance Committee write to the Partner leading the Ernst and Young Government and Public Sector Assurance team expressing the Committee extreme disappointment.</p> <p>iv) That the Committee receive and approve, in principle, the final Statement of Accounts.</p>

	<p>v) That the Committee agree to the additional recommendations below:</p> <p>a) Note that the Combined Authority's external auditors are not able to guarantee that they will have completed their audit of the accounts for 2018/19 before the statutory deadline of 31 July 2019 for the publication of the statement of accounts together with any certificate or opinion from the external auditors;</p> <p>b) Note that if it is not possible to publish the statement of accounts on time the law requires the Combined Authority to publish as soon as reasonably practicable on or after the deadline a notice stating that it has not been able to publish the statement of accounts and its reasons for this;</p> <p>c) Authorise the Chief Finance Officer in consultation with the Chair of Audit and Governance Committee, as and when the final Audit Opinion is provided by the external auditors, to make any minor amendments to the statement of accounts arising from the final Audit Opinion and to authorise the Chief Finance Officer and Chair of Audit and Governance to then sign and publish the statement of accounts together with any certificate or opinion from the external auditors;</p> <p>d) In the event that amendments arising from the</p>
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		<p>final Audit Opinion would constitute a “material adjustment” to the final accounts as defined in the external auditor’s final audit plan a further report is to be brought to Committee; and</p> <p>e) That the Committee receive and approve the Annual Governance Statement 2018/19 as included within the statement of accounts.</p>
	Chairman’s Annual Audit Report	The Annual Report of the Chair of the Committee be submitted to the Combined Authority Board was approved.
	Internal Audit Plan	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019.
	Value for Money Report	The Committee noted the Combined Authority’s approach to delivering value for money.
	Treasury Management Annual Report	The Committee reviewed the actual performance for the year to 31st March 2019, against the adopted prudential and treasury indicators.
	Human Resources Risk Reduction Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2019/20	Item	COMMENTS
27 September 2019 Cambridge City Council	Audit Results Reports & Statement of Accounts 2018/19	The Committee received the audit results report for the year ended 31st March 2019.
	Transport Acceleration and Risk Report	The Committee noted the officers’ assessment of the impact of the accelerated delivery strategy on

		project risk and the wider measures put in place by the Authority to manage project risk.
	Medium-Term Financial Plan and Business Plan	The report was noted.
	Combined Authority Board Update	The Committee noted the update.
	Business Board Update	The Committee noted the priorities and objectives of the Business Board.
	Internal Audit Update	The progress report from Internal Audit was considered. Internal Audit would provide timelines and progress indicators in future reports and seek The Committee's approval to any programme changes.
	Governance Review Report	The proposed new governance arrangements for the Combined Authority had been considered and the Committee's Work Programme be amended to include a future report to the Committee reviewing the effectiveness of the proposed new governance arrangements.
	Risk Register and Performance Update	The Committee noted the Performance Reporting processes that are in place for the Combined Authority. The Committee requested that the Performance Reporting Dashboard is presented to the Board on a quarterly basis and recommend any proposed changes be noted. The Committee requested that the proposed changes to the Corporate Risk Register be reported to the next Board meeting for approval.
	Report on Freedom of Information, Whistleblowing and Fraud	The Committee would advise how the Combined Authority communicated the Whistleblowing Policy and encouraged its use.

	Response to National Audit Office Consultation	The proposed changes to the Code of Audit practice and the potential impact on reporting to the Committee for local audit work was noted.
	Work Programme	The update was noted.
Meeting Date 2019/20	Item	COMMENTS
16 December 2019 South Cambridgeshire District Council	Assurance Framework	A paper will be produced for Audit & Governance Committee meeting in March 2020. The Committee noted the revised Assurance Framework
	Corporate Risk Register	The proposed revised Strategy and changes to the Corporate Risk Register were recommended.
	Data Protection Policy	An update from the Data Protection Officer be put on Audit & Governance Committee Work Programme for December 2020. That the Combined Authority would keep an eye on implications on data protection after Brexit. The Data Protection Policy report was recommended
	Internal Audit Progress Report	That an update report be brought back to Audit & Governance Committee in March 2020, including a procedure for urgent items. That a reminder email be sent to Members regarding themes for internal auditors for the following year. The Committee noted the report.
	Adult Education Budget and Assurance Programme	An annual insight to be received by the Committee every year.

		A briefing session to be organised for the Committee in summer/autumn 2020. The Adult Education Budget Audit and Assurance Programme, along with the arrangements, was noted.
	Treasury Management Strategy Update	The update was reviewed by the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2020/21	Item	COMMENTS
26 May 2020 Remote Meeting	Confirmation of Membership of the Audit & Governance Committee	Membership was the same as in the last municipal year and there had been no changes amongst substitute members. The Committee noted Fenland DC Annual General Meeting was to be held on 17 June, which could signal change in Fenland DC membership of the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Statement of Accounts 2019/20	The statement of accounts to be presented at the 31 July 2020 meeting of the Committee will be circulated to members two-weeks in advance of the meeting.
	External Audit Update	A further report will be received at the 31 July 2020 meeting of the Committee.
	Internal Audit Update	The Internal Audit with opinion be received at the 31 July 2020 meeting of the Committee.
	Draft Annual Report of the Chair of the Audit & Governance Committee	The report was approved by the Committee for submission to the CA Board meeting on 5 August 2020, subject to the correction of a typographical error.

	Corporate Risk Register	The Committee recommended climate change is included on the on the Risk Register in future.
	Complaints Procedures	The Committee noted the revised procedures and, with the addition of the contact details of 'street scene' issues for the borough, city and district councils, approve them to the CA Board.
	Treasury Management Strategy	The Committee noted the strategies.
	Trading Companies	A development session on the trading companies be held, possibly in autumn 2020.
	Revised Guide for Project Management	The Committee received and noted the revised guide.
	Work Programme	The Committee requested greater clarity on the work programme for future meetings.
	Urgent Item: Lancaster Way	The Committee responded positively to the request for an independent review. and that this has no impact on the delivery of the project. The Committee is open to an Extraordinary meeting, if necessary, with the proviso that sufficient time is afforded to enable the Committee to have all the background information it requires.
Meeting Date 2020/21	Item	COMMENTS
31 July 2020	Appointment of a Vice-Chairman of the Audit	A Vice-Chairman of the Committee would be

Remote Meeting	& Governance Committee	appointed at the meeting on 31 July as the Combined Authority Board Annual Meeting was not until 3 June and a decision on a Vice-Chairman appointment would be ratified at that meeting.
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting. The report to be presented to the 31 July 2020 meeting of the Committee to include the top three to four risks that are improving/getting worse.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit 2020/21	A separate paper on how the Combined Authority is to take Internal Audit forward after the Service Level Agreement with Peterborough City Council concludes was requested for this 20 meeting.
	Internal Audit – Annual Report	A report provided by the Internal Auditors on the effectiveness of the Authority's systems of governance; risk management and internal control.
	External Audit Final Results	The Committee receive the audit results report from the external auditors.

	Annual Governance Statement	Explains how the Combined Authority has complied with the Local Code of Governance and meets the requirements of the Accounts and Audit (England) Regulations 2015 Regulation 6.1(b) – usually received along with the Annual Financial Report.
	Draft Financial Statements 2019/20	The Committee receives the report which asks them to: a) approve the audited Statement of Accounts 2017/18 b) Receive and approve the Annual Governance Statement 2017/18
	Independent Commission on Climate Change	Committee to receive a report on the procedures undertaken in the appointment of the Independent Chair of the Commission
Meeting Date 2020/21	Item	COMMENTS
2 October 2020 Venue: TBA	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.

	Internal Audit Plan 2020/21	Report from the Internal Auditors on the Internal Audit Plan for the municipal year.
	Financial Statement 2019/20 and External Audit Update	
	Treasury Management Strategy Review	The Committee receive the report which review the current performance against the prudential indicators included within the Treasury Management Strategy.
27 November 2021 Virtual Meeting		
	DEVELOPMENT SESSION	VALUE FOR MONEY
	The Mayor of the Combined Authority	Mayor James Palmer will be in attendance
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Lancaster Way Update	
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their

		upcoming work programme.
	Internal Audit: Internal Audit Plan	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit and Opinion 2019/20	To receive the External Audit and Opinion from Ernst & young for the previous financial year.
	End of Year Financial Statements 2019/20	
	Adult Education Budget	

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME 2021/22

Meeting Date 2020/21	Item	COMMENTS
25 June 2021 Virtual Meeting	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits
	Draft Annual Report of the Chair of the Audit & Governance Committee	
	Draft Accounts	Committee to review the draft accounts.
	Review Whistleblowing Policy	

Meeting Date	Item	COMMENTS
Meeting Date	Item	Comment
DEVELOPMENT SESSION: ROLE OF THE COMMITTEE		
30 July 2021 Venue: TBA		
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Audit Plan	The Committee receive and approve the final audit plan prepared by the external auditors
	Internal Audit – Annual Report	A report provided by the Internal Auditors on the effectiveness of the Authority's systems of governance; risk management and internal control.
	Value-for-Money	Statement report on Value for Money to be

		considered including 'benefit-cost-ratio'.
	External Audit Final Results	The Committee receive the audit results report from the external auditors.
	Annual Governance Statement	Explains how the Combined Authority has complied with the Local Code of Governance and meets the requirements of the Accounts and Audit (England) Regulations 2015 Regulation 6.1(b) – usually received along with the Annual Financial Report.
	Code of Corporate Governance	Code of Corporate Governance is based upon the CIPFA / SOLACE publication entitled "Delivering Good Governance in Local Government: Framework 2016 Edition." An annual review is undertaken each year.
	Annual Constitution Review	
	Annual Financial Report	The Committee receives the report which asks them to: a) approve the audited Statement of Accounts 2017/18 b) Receive and approve the Annual Governance Statement 2017/18
	Annual Audit report	The Audit and Governance Committee review annually the work undertaken by the committee to ensure best practice and effectiveness for the Combined Authority is being achieved.
	Governance Review – Business Board	

Meeting Date 2020/21	Item	COMMENTS
DEVELOPMENT SESSION: TRADING COMPANIES		
24 Sept 2021 Venue: TBA	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Annual Audit Letter	The Committee receive the annual audit letter which communicates the key issues arising from external auditors work in carrying out the audit of the statement of accounts for the Cambridgeshire and Peterborough Combined Authority.
	Internal Audit – Progress Report	Update to be delivered by the Internal Auditors.
	Treasury Management Strategy Review	The Committee receive the report which review the

		current performance against the prudential indicators included within the Treasury Management Strategy.
Meeting Date	Item	Comment
DEVELOPMENT SESSION: ROLE OF AUDIT ON MAJOR PROJECTS		
26th November 2021	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Draft Audit Plan	The Committee receive the draft Audit Plan and comment whether the planned audit is aligned with the Committee's expectations.
	Treasury Management Strategy Update	The Committee receive the report which provides the Audit and Governance Committee with an update on the Combined Authority (CPCA)'s Treasury Management Strategy.

	Assurance Framework	Committee agreed in May 2019 that the A/Framework be presented to Committee on 6-month basis.
	Complaints, Fraud, Whistleblowing Update	The Committee receive an bi-monthly report which provides an update on the number of complaints received, incidents of fraud and reports of whistleblowing.
28th January 2022	RESERVE MEETING	
Meeting Date	Item	Comment
11th March 2022	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	External Audit – Audit Plan	The Committee receive and approve the final audit plan prepared by the external auditors
	Internal Audit Plan:	Details of audit activity for the following year.

	Treasury Management Strategy Summary	The Committee receive the report asks for comments comment on the draft Treasury Management Strategy.
	Code of Corporate Governance	Code of Corporate Governance is based upon the CIPFA / SOLACE publication entitled “Delivering Good Governance in Local Government: Framework 2016 Edition.” An annual review is undertaken each year.
	Assurance Framework	The Assurance Framework is a set of systems, processes and protocols, which along with standing orders, financial regulations, departmental procedures, and codes of practice is linked in a hierarchy of management and financial control procedures, which clearly define the responsibilities of members and the duties of the CPCA’s officers, consultants and partners. – Approved annually.
Meeting Date	Item	Comment
27 May 2022	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.

	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Occurred Meetings – Work Programmes	
19 July 2019 Fenland District Council	Internal Auditors Annual Report	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019
	Statement of Accounts 2018/19 and External Audit Final Results	<p>The Committee resolved that: i) That the Chief Executive circulate the draft statutory notice to the members of the Audit and Governance Committee prior to publication.</p> <p>ii) That the Chief Executive liaise with all affected constituent Councils and send a letter to government expressing their dissatisfaction with the auditors performance and the impacts this has had on each Council.</p> <p>iii) That the Chair of the Audit and Governance Committee write to the Partner leading the Ernst and Young Government and Public Sector Assurance team expressing the Committee extreme disappointment.</p> <p>iv) That the Committee receive and approve, in principle, the final Statement of Accounts.</p> <p>v) That the Committee agree to the additional recommendations below:</p> <p>a) Note that the Combined Authority's external</p>

	<p>auditors are not able to guarantee that they will have completed their audit of the accounts for 2018/19 before the statutory deadline of 31 July 2019 for the publication of the statement of accounts together with any certificate or opinion from the external auditors;</p> <p>b) Note that if it is not possible to publish the statement of accounts on time the law requires the Combined Authority to publish as soon as reasonably practicable on or after the deadline a notice stating that it has not been able to publish the statement of accounts and its reasons for this;</p> <p>c) Authorise the Chief Finance Officer in consultation with the Chair of Audit and Governance Committee, as and when the final Audit Opinion is provided by the external auditors, to make any minor amendments to the statement of accounts arising from the final Audit Opinion and to authorise the Chief Finance Officer and Chair of Audit and Governance to then sign and publish the statement of accounts together with any certificate or opinion from the external auditors;</p> <p>d) In the event that amendments arising from the final Audit Opinion would constitute a “material adjustment” to the final accounts as defined in the external auditor’s final audit plan a further report is to be brought to Committee; and</p>
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		e) That the Committee receive and approve the Annual Governance Statement 2018/19 as included within the statement of accounts.
	Chairman's Annual Audit Report	The Annual Report of the Chair of the Committee be submitted to the Combined Authority Board was approved.
	Internal Audit Plan	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019.
	Value for Money Report	The Committee noted the Combined Authority's approach to delivering value for money.
	Treasury Management Annual Report	The Committee reviewed the actual performance for the year to 31st March 2019, against the adopted prudential and treasury indicators.
	Human Resources Risk Reduction Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2019/20	Item	COMMENTS
27 September 2019 Cambridge City Council	Audit Results Reports & Statement of Accounts 2018/19	The Committee received the audit results report for the year ended 31st March 2019.
	Transport Acceleration and Risk Report	The Committee noted the officers' assessment of the impact of the accelerated delivery strategy on project risk and the wider measures put in place by the Authority to manage project risk.
	Medium-Term Financial Plan and Business Plan	The report was noted.
	Combined Authority Board Update	The Committee noted the update.

	Business Board Update	The Committee noted the priorities and objectives of the Business Board.
	Internal Audit Update	The progress report from Internal Audit was considered. Internal Audit would provide timelines and progress indicators in future reports and seek The Committee's approval to any programme changes.
	Governance Review Report	The proposed new governance arrangements for the Combined Authority had been considered and the Committee's Work Programme be amended to include a future report to the Committee reviewing the effectiveness of the proposed new governance arrangements.
	Risk Register and Performance Update	The Committee noted the Performance Reporting processes that are in place for the Combined Authority. The Committee requested that the Performance Reporting Dashboard is presented to the Board on a quarterly basis and recommend any proposed changes be noted. The Committee requested that the proposed changes to the Corporate Risk Register be reported to the next Board meeting for approval.
	Report on Freedom of Information, Whistleblowing and Fraud	The Committee would advise how the Combined Authority communicated the Whistleblowing Policy and encouraged its use.
	Response to National Audit Office Consultation	The proposed changes to the Code of Audit practice and the potential impact on reporting to the Committee for local audit work was noted.
	Work Programme	The update was noted.
Meeting Date	Item	COMMENTS

2019/20		
16 December 2019 South Cambridgeshire District Council	Assurance Framework	A paper will be produced for Audit & Governance Committee meeting in March 2020. The Committee noted the revised Assurance Framework
	Corporate Risk Register	The proposed revised Strategy and changes to the Corporate Risk Register were recommended.
	Data Protection Policy	An update from the Data Protection Officer be put on Audit & Governance Committee Work Programme for December 2020. That the Combined Authority would keep an eye on implications on data protection after Brexit. The Data Protection Policy report was recommended
	Internal Audit Progress Report	That an update report be brought back to Audit & Governance Committee in March 2020, including a procedure for urgent items. That a reminder email be sent to Members regarding themes for internal auditors for the following year. The Committee noted the report.
	Adult Education Budget and Assurance Programme	An annual insight to be received by the Committee every year. A briefing session to be organised for the Committee in summer/autumn 2020. The Adult Education Budget Audit and Assurance Programme, along with the arrangements, was noted.

	Treasury Management Strategy Update	The update was reviewed by the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2020/21	Item	COMMENTS
26 May 2020 Remote Meeting	Confirmation of Membership of the Audit & Governance Committee	Membership was the same as in the last municipal year and there had been no changes amongst substitute members. The Committee noted Fenland DC Annual General Meeting was to be held on 17 June, which could signal change in Fenland DC membership of the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Statement of Accounts 2019/20	The statement of accounts to be presented at the 31 July 2020 meeting of the Committee will be circulated to members two-weeks in advance of the meeting.
	External Audit Update	A further report will be received at the 31 July 2020 meeting of the Committee.
	Internal Audit Update	The Internal Audit with opinion be received at the 31 July 2020 meeting of the Committee.
	Draft Annual Report of the Chair of the Audit & Governance Committee	The report was approved by the Committee for submission to the CA Board meeting on 5 August 2020, subject to the correction of a typographical error.
	Corporate Risk Register	The Committee recommended climate change is included on the on the Risk Register in future.
	Complaints Procedures	The Committee noted the revised procedures and, with the addition of the contact details of 'street scene' issues for the borough, city and district councils, approve them to the CA Board.

	Treasury Management Strategy	The Committee noted the strategies.
	Trading Companies	A development session on the trading companies be held, possibly in autumn 2020.
	Revised Guide for Project Management	The Committee received and noted the revised guide.
	Work Programme	The Committee requested greater clarity on the work programme for future meetings.
	Urgent Item: Lancaster Way	The Committee responded positively to the request for an independent review. and that this has no impact on the delivery of the project. The Committee is open to an Extraordinary meeting, if necessary, with the proviso that sufficient time is afforded to enable the Committee to have all the background information it requires.
Meeting Date 2020/21	Item	COMMENTS
31 July 2020 Remote Meeting	Appointment of a Vice-Chairman of the Audit & Governance Committee	A Vice-Chairman of the Committee would be appointed at the meeting on 31 July as the Combined Authority Board Annual Meeting was not until 3 June and a decision on a Vice-Chairman appointment would be ratified at that meeting.
	Combined Authority Board Update	Standing item on the agenda when a chief officer

		or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting. The report to be presented to the 31 July 2020 meeting of the Committee to include the top three to four risks that are improving/getting worse.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit 2020/21	A separate paper on how the Combined Authority is to take Internal Audit forward after the Service Level Agreement with Peterborough City Council concludes was requested for this 20 meeting.
	Internal Audit – Annual Report	A report provided by the Internal Auditors on the effectiveness of the Authority's systems of governance; risk management and internal control.
	External Audit Final Results	The Committee receive the audit results report from the external auditors.
	Annual Governance Statement	Explains how the Combined Authority has complied with the Local Code of Governance and meets the requirements of the Accounts and Audit (England) Regulations 2015 Regulation 6.1(b) – usually received along with the Annual Financial Report.

	Draft Financial Statements 2019/20	The Committee receives the report which asks them to: a) approve the audited Statement of Accounts 2017/18 b) Receive and approve the Annual Governance Statement 2017/18
	Independent Commission on Climate Change	Committee to receive a report on the procedures undertaken in the appointment of the Independent Chair of the Commission
Meeting Date 2020/21	Item	COMMENTS
2 October 2020 Venue: TBA	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit Plan 2020/21	Report from the Internal Auditors on the Internal Audit Plan for the municipal year.
	Financial Statement 2019/20 and External Audit Update	
	Treasury Management Strategy Review	The Committee receive the report which review the

		current performance against the prudential indicators included within the Treasury Management Strategy.
27 November 2021 Virtual Meeting		
	DEVELOPMENT SESSION	VALUE FOR MONEY
	The Mayor of the Combined Authority	Mayor James Palmer will be in attendance
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Lancaster Way Update	
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit: Internal Audit Plan	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit and Opinion 2019/20	To receive the External Audit and Opinion from Ernst & young for the previous financial year.

	End of Year Financial Statements 2019/20	
	Adult Education Budget	