

# CAMBRIDGESHIRE COUNTY COUNCIL

## NOTICE OF MEETING

A meeting of the County Council will be held at Shire Hall, Castle Hill, Cambridge on Tuesday, 18th July 2017 at 1.30p.m.

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### A G E N D A

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Prayers led by Rabbi Mordechai Zeller and Lea Taragin-Zeller, Cambridge & East Anglia Chaplains, University Jewish Chaplaincy.

Apologies for Absence

1. Minutes – 23rd May 2017 (previously circulated)
2. Chairman's Announcements (oral)
3. Declarations of Interests (oral)  
*[Guidance for Councillors on declaring interests is available at <http://tinyurl.com/ccc-decoint>]*
4. Public Question Time (oral)  
*To receive and respond to questions from members of the public in accordance with Council Procedure Rule 9.3.*
5. Petitions (oral)  
*To receive petitions from the public in accordance with Council Procedure Rule 9.4.*
6. Item for Determination from General Purposes Committee (oral)

#### **Treasury Management Report Quarter Four**

To consider the following recommendation arising from the General Purposes Committee meeting on 13th June 2017 (minute 12 refers):

It was resolved to:

note the Treasury Management Quarter Four Report 2016-17 and forward to Full Council to note.

Note: a copy of the report discussed by the General Purposes Committee and the minutes of the meeting are available via the

following link: [General Purposes Committee meeting 13/06/2017](#)

7. Item for Determination from Highways and Community Infrastructure Policy and Service Committee (oral)

**The Proposed Network Rail (Cambridgeshire Level Crossing Reduction) Order**

To consider the following recommendation to be considered by the Highways and Community Infrastructure Policy and Service Committee at its meeting on 11th July 2017:

- a) Agree the proposed full response to the draft Network Rail (Cambridgeshire Level Crossing Reduction) Order;
- b) Recommend to Full Council that it approves this response, in accordance with statutory requirements; and
- c) To agree that officers should continue negotiations with Network Rail, and that any changes to the Council's position prior to the Public Inquiry should be delegated to the Executive Director ETE in consultation with the Chair or Vice Chair of HCI Committee.

Note: a copy of the report to be discussed by the Highways and Community Infrastructure Policy and Service Committee, and the minutes of the meeting when published, are available via the following link:

<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/564/Committee/7/Default.aspx>

8. Members' Allowances (pages 5-34)
9. Report of the Constitution and Ethics Committee
- a) A change to the Council's Contract Procedure Rules for when the Council receives fewer than three bids back from a competitive process (pages 35-37)
  - b) Revision of the Terms of Reference for the Audit and Accounts Committee (pages 38-50)
  - c) County Council – Proposed Changes to the Constitution (pages 51-59)
10. Consultation on Changes of Governance with Fire (pages 60-70)
11. Appointment of the Chairman/woman and Vice-chairman/woman of Health Committee, and the Chairman/woman of the Health and Wellbeing Board (page 71)

12. Appointments to Outside Organisations (Cambridgeshire and Peterborough Combined Authority – Overview and Scrutiny Committee) (page 72)
13. Motions submitted under Council Procedure Rule 10 (oral)

**Motion from Councillor Lucy Nethsingha**

This Council notes the large number of studies which are looking at congestion on the A10 King's Lynn to Cambridge corridor including:

- County Council work on the A10 to King's Lynn in response to a previous motion.
- City Deal work on the section of the A10 from the A14 interchange to the edge of the City Deal area.
- Work being done in response to the Mayor's 100 days programme, looking at an M11 extension north of the Bar Hill junction.
- Work in progress to improve the rail network in the same area.

This Council notes that with so many different groups requesting large scale changes any decisions on major road building projects to the north of Cambridge are likely to have to wait until work on all these studies is complete, as major changes to the road network will need to be considered together.

This council notes that under these circumstances major improvements to the A10 are unlikely to start quickly.

This council notes that congestion on the A10 largely occurs at junctions.

This council therefore requests that a small study on the impact of improving the junctions between Littleport, and the A14 be carried out, with a view to improving flow at the junctions, to allow traffic to run smoothly along the current road in the short to medium term.

*[The Monitoring Officer advises that the motion relates to a matter for the Council to determine and that the motion is therefore in order as drafted]*

14. Cambridgeshire and Peterborough Combined Authority and Overview and Scrutiny Committee – Oral Questions (pages 73-99)

15. Questions:

(a) **Written Questions** (Council Procedure Rule 9.2)

(oral)

To note responses to written questions from Councillors submitted under Council Procedure Rule 9.2.

Dated 10th July 2017



Quentin Baker  
Director of LGSS Law  
and Governance  
& Monitoring Officer

*The County Council is committed to open government and members of the public are welcome to attend this meeting. 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. These arrangements operate in accordance with a protocol agreed by the Chairman of the Council and political Group Leaders which can be accessed via the following link or made available on request:*  
<http://tinyurl.com/ccf-film-record>

*The Council cannot provide car parking on the Shire Hall site so you will need to use nearby public car parks. Details of other transport options are available on the Council's website at: <http://tinyurl.com/ccf-carpark>*

*For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact Michelle Rowe at the County Council's Democratic Services on Cambridge (01223) 699180 or by email at: [michelle.rowe@cambridgeshire.gov.uk](mailto:michelle.rowe@cambridgeshire.gov.uk)*

**MEMBERS' ALLOWANCES**

*To:* County Council

*Date:* 18th July 2017

*From:* Chief Executive

*Purpose:* To consider the report prepared by the new Independent Remuneration Panel on Members' Allowances and to make a new scheme of allowances which will take effect from the Council meeting in July.

*Recommendation:* It is recommended that Full Council:

- (a) considers the Panel's recommendations and determines whether to accept the recommendations as they stand or with amendments or alternatively to make a different scheme altogether.
- (b) confirm the date on which the new scheme will come into effect.
- (c) formally revoke the existing Members' Allowances Scheme with effect from that date.
- (d) authorise the Monitoring Officer to prepare a new scheme to reflect the outcome of the Council's deliberations and to take any consequential action arising therefrom.

<b><i>Officer contact:</i></b>	
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## **1. Background**

- 1.1 At its meeting on 23rd May 2017, Full Council approved changes to the Constitution proposed by the Leader and Deputy Leader of the Council. As part of this report, it was stated that the Independent Remuneration Panel will be meeting in June 2017 to consider any proposals as part of its review, with a final report to be recommended to Full Council.
- 1.2 Local authorities are legally obliged to establish a scheme of allowances for their elected members. The regulations governing this set out a range of requirements in relation to the content of the scheme itself and to the process by which councils should follow when making their schemes of allowances.
- 1.3 One of the key requirements of the process is that the council must, before determining the content of its scheme of allowances, have considered the report of an Independent Remuneration Panel, established for this purpose.
- 1.4 In accordance with the Council's constitution, the current Independent Remuneration Panel was appointed following a process agreed by the Constitution and Ethics Committee at its meetings on 22 September 2016 and 26 January 2017.
- 1.5 The terms of appointment of the previous Panel came to an end in February 2017. At its meeting in September, the Constitution and Ethics Committee agreed to advertise inviting expressions of interest from far and wide in becoming a member of the panel. In clarification of its decision, the Committee confirmed to the Democratic Services Manager that it would be entirely acceptable if she were to get an announcement into the local press without incurring the expense of a formal advertisement, and to seek expressions of interest through the Council's website.
- 1.6 The Committee, on 26 January 2017, was asked to consider the interview process, and decided that, rather than all eleven members conducting the interviews, a panel of five Committee members should do so. The panel would have one member from each political group.
- 1.7 A review of the Members' Allowances Scheme must take place before the Council meeting in May 2018. As a result of the changes to the Constitution agreed at the annual meeting of the Council, it was proposed that a review should take place in June 2017 with a report to be presented to July Council.
- 1.8 Cambridgeshire County Council's new Independent Remuneration Panel was asked to prepare a report in response to the changes that the Council has made to its governance arrangements following the election in May 2017. In preparing this report, the Independent Remuneration Panel have considered all aspects of Cambridgeshire County Council's scheme of allowances, including the structure of the scheme, the level of allowances paid and the circumstances in which allowances may be claimed.

- 1.9 The attached report has been prepared by the Independent Remuneration Panel.
- 1.10 Full Council is now required to make a new scheme of allowances having considered the attached recommendations.
- 1.11 It is open to Full Council to accept the recommendations of the panel in full, in part or to amend them entirely to create a different scheme altogether. However, Full Council is legally obliged to make a scheme.

## **2. Budget Implications of Independent Remuneration Panel Recommendations**

2.1 The recommendations proposed by the IRP will cost as follows:

<b>Group Leaders &amp; Deputy SRAs</b>		<b>Total</b>
Leader of Largest Group (Con)	25,000.00	
Deputy Leader of Largest Group (Con)	11,250.00	
Group Leader of Second Largest Group (Lib Dem)	12,500.00	
Deputy Leader of Second Largest Group (Lib Dem)	5,000.00	
Group Leader of Third Largest Group (Labour)	7,500.00	
Deputy Leader of Third Largest Group (Labour)	3,000.00	
Group Leader of Fourth Largest Group (Ind.)	3,000.00	
Deputy Leader Fourth Largest Group (Ind.)	1,200.00	
<b>TOTAL</b>		<b>68,450.00</b>
<b>Policy and Service Committees</b>		
Chairman/woman x 7	87,500.00	
Vice-Chairman/woman x 7	28,000.00	
<b>TOTAL</b>		<b>115,500.00</b>
<b>Policy and Service Committee Lead Members</b>		
Lib Dems x 7	7,000.00	
Labour (only five allowances can be claimed)	5,000.00	
Independents (only one allowance can be claimed)	1,000.00	
<b>TOTAL</b>		<b>13,000.00</b>
<b>Audit and Accounts Chair SRA</b>		
Individual Allowance	7,500.00	
<b>Planning Committee Chair SRA</b>		
Individual Allowance	7,500.00	
<b>Pensions Committee Chair SRA</b>		
Individual Allowance	7,500.00	
<b>Fostering Panel Member x2</b>	7,500.00	
<b>TOTAL</b>		<b>30,000.00</b>

**SRA TOTAL**

**226,950.00**

**BASIC ALLOWANCE**

Per Member

8,600.00

**TOTAL**

**524,600.00**

**SRA / BASIC TOTAL**

**751,550.00**

- 2.2 The current SRA and Basic budgets are £296,522 and £489,859 respectively totalling **£786,361.**
- 2.3 It is important to bear in mind the above figures may change if Members are appointed to the Adoption Panel or if there is a new Chair of the Pensions Committee.

Source Documents	Location
Constitution and Ethics Committee – 22 September 2016 and 26 January 2017  Council – 23 May 2017	<a href="https://cmis.cambridgeshire.gov.uk/ccclive/Committees.aspx">https://cmis.cambridgeshire.gov.uk/ccclive/Committees.aspx</a>



**REPORT BY  
THE CAMBRIDGESHIRE COUNTY COUNCIL  
INDEPENDENT REMUNERATION PANEL**

**An Independent Review of Members' Allowances  
June 2017**

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## Executive Summary

Cambridgeshire County Council's Independent Remuneration Panel was asked to prepare this report in response to revisions to the Council's governance arrangements which were made following the elections held on 4 May 2017. While these changes were not as significant as those introduced following the election in May 2013, they nevertheless impact on the roles undertaken by councillors, and therefore have to be reflected in a revised scheme of allowances. In preparing this report, the Panel has considered not just these changes, but all aspects of Council's scheme of allowances. This includes the structure of the scheme, the level of allowances paid and the circumstances in which they may be claimed.

The Panel considered a range of information prior to formulating their recommendations. This included information provided by the Council on revisions to the constitution and governance arrangements, the views of councillors, the financial climate within which the Council operates and the desire to encourage citizens to participate in local democracy. The Panel also considered the statutory framework for members' allowances, including the relevant statutory instruments and guidance. In taking into account the views of councillors, the Panel has proposed a number of changes to the scheme. The likely additional workload that each councillor will be expected to undertake as a result of the review of electoral boundaries has also been an influencing factor. These changes impact on the basic allowance, special responsibility allowances and other expenses and allowances payable under the scheme.

In light of the above, the Panel's view is that the revised scheme of allowances must be fairer and more transparent, as well as acting to remove the barriers that may prevent citizens from considering standing for election. The Panel would like to draw attention to the following aspects of their recommendations:

- That the basic allowance be £8,600 per year. This change is intended to set the basic allowance at an appropriate and sustainable level for councillors (or potential councillors) by covering the costs associated with undertaking the role more effectively, as well as reflecting the additional workload on all councillors resulting from the enlarged electoral divisions.
- That the basic allowance be increased by £250 per year for the next four years in order to bring it to a level that will encourage more citizens from a wide range of backgrounds to stand for election, and further in line with the allowance paid in other comparable authorities;
- That special responsibility allowances be paid to all group leaders and deputy leaders, Policy and Service Committee chairs, vice chairs and lead members, the chairs of all Regulatory Committees and any councillors appointed to the adoption and fostering panels;
- That the 'one special responsibility allowance per councillor' rule be retained, without exception;
- The carer's allowance should be aligned with the National Living Wage;
- The travel and subsistence allowances should continue to be matched to those rates paid to officers; and
- That, in line with revised instruction from the Government, reference to membership of the Local Government Pension Scheme be removed from the scheme of allowances.

## **Introduction**

- 1.1 The Council is required to make a scheme of allowances for its councillors in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003. The process for making and reviewing such a scheme is regulated so that the public can have confidence in the independence, openness and accountability of the process involved. The process requires that the Council must establish an independent remuneration panel and, before making or amending its scheme of allowances, must have regard to the views of the Panel.
- 1.2 This report presents the recommendations of the Independent Remuneration Panel to the Council for consideration and approval.

## **The Panel**

- 2.1 In accordance with the Council's constitution, the current Panel was appointed following an open recruitment process agreed by the Council. The Panel comprises the following members:
  - Mrs Nicky Blanning. Nicky is Head of the Accommodation Service at the University of Cambridge. She is also a Trustee and Chair of the Foundation of Edward Storey and Chair of a community music organisation.
  - Professor Alan Rodger. Alan is a retired Director of the British Antarctic Survey. He has been involved in the leadership and management of national and international science organisations for thirty years. He is currently a Director and Trustee of the Morris Education Trust.
  - Mr Colin Wiles. Colin is a consultant, providing services to housing associations and other similar bodies. He was previously Chief Executive of the King Street Housing Society and is a trustee of The Whitworth Trust.The Panel was assisted in their deliberations by Paul Hanson, Democratic Services Manager from the LGSS Northampton office.

## **Terms of Reference for the Review**

- 3.1 The Panel's terms of reference were based on the relevant statutory instrument (Members Allowances (England) Regulations 2003), as well as statutory guidance issued by the Department for Communities and Local Government (New Council Constitutions: Guidance on Regulation for Local Authority Allowances). It should be noted that the Panel is required to take these documents into account when preparing recommendations on the Council's scheme of allowances.
- 3.2 In line with the statutory requirements relating to schemes, the Panel's agreed terms of reference were as follows:
  - To determine the amount of basic allowance that should be payable to councillors;
  - To determine the responsibilities or duties which should lead to the payment of a special responsibility allowance and the amount of such allowances;

- To determine the duties for which a travelling and subsistence allowance can be paid and the amount of such allowances;
- Whether the Council's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants, and the amount of this allowance and the means by which it should be determined; and
- Whether annual adjustments of allowance levels should be made by reference to an index, and, if so, for how long such a measure should run.

3.3 The Panel also agreed the following set of broad principles within which the review of allowances was undertaken:

- In line with the statutory guidance, the Panel took into account the principle that an element of the role of councillor must be voluntary, but that should not mean that councillors should suffer significant financial loss as a result of undertaking the role;
- Allowances should not be designed to reward councillors, but neither should the level of allowances prohibit individuals from considering standing for election; and
- The Panel were mindful of the percentage of councillors that should be eligible to receive a Special Responsibility Allowance, but also took into consideration the effect of the particular governance arrangements in place at the Council.

### **The Evidence Considered**

4.1 The Panel considered a range of qualitative and quantitative evidence, as well as a small amount of benchmarking data. In the area of basic and special responsibility allowances, the Panel attributed greatest weight to the written and verbal testimony of councillors.

4.2 Benchmarking evidence was considered, particularly in relation to the basic allowance. Because there are few county authorities that have chosen to adopt the committee system form of governance, however, the Panel had to be cautious in the application of these data. More specifically, the Panel formed the view that a 'backbench' councillor working in a committee system would have to take on more responsibility than in a cabinet system. The Panel noted that the basic allowance paid at Cambridgeshire County Council is the lowest of any county council in a two-tier area.

4.3 The Panel issued an open invitation to all councillors to meet with them and share their views. Individual interviews were conducted with 10 councillors and 1 officer over the course of the review, representing all of the political groups on the Council. Several written submissions were also received. A range of opinions were heard, relating not just to allowances but also to the nature of the role of councillor, the time commitment involved and other forms of support that are available to councillors. Input was received from councillors who were employed, self-employed and retired.

4.4 There was a broad consensus that the current rate of basic allowance is too low. The Panel felt that it was not at a level that would allow councillors to make the time commitment

required in order to fulfil their roles effectively, particularly now there are fewer councillors, larger electoral divisions and rapidly increasing populations within many divisions.

- 4.5 On the issue of special responsibility allowances, a diverse range of opinions were expressed. There was a broad consensus on the need to put in place allowances for roles such as group leaders and committee chairs, but rather less consensus about roles such as the new lead members and area leads.
- 4.6 Many councillors suggested that the overall budget for allowances was low and could impact on the ability of councillors to dedicate sufficient time to council business. The reduction in the number of councillors from 69 to 61 in May 2017 was highlighted as an area where some reinvestment could occur, but it was also noted that the increase in the number of Policy and Service Committees from 5 to 7 would add to the costs associated with the scheme of allowances.
- 4.7 In terms of the expenses that may be claimed in the course of carrying out their roles, councillors were generally satisfied with the arrangements in place. Some small changes to the scheme were suggested, however, and the Panel has made recommendations based on their own views as to the fairness and transparency of this aspect of the scheme.
- 4.8 Some councillors expressed the view that the scheme of allowances should encourage attendance at meetings and could even include a mechanism for dealing with those who do not attend the majority of meetings to which they are appointed. The Panel noted this issue but were mindful of the fact that the legislative framework which underpins local authority allowances provides little freedom to do this. The Panel noted that the payment of allowance on the basis of attendance is not permitted under the regulations and that provision for dealing with non-attendance at meetings is made within the Local Government Act 1972. The Panel therefore took the view that this process should be managed by the political groups themselves.
- 4.9 The Panel noted the Council's ongoing efforts to arrange formal committee meetings on Tuesdays and Thursdays where possible, so as to make best use of Councillors time and reduce the impact on councillors, particularly those who are in paid employment. The Panel welcomed these efforts, but urged caution that this principle should not be compromised by the addition of two further Policy and Service Committees to the schedule of meetings.
- 4.10 The Panel considered the levels of allowances paid at other authorities. Due to the fact that relatively few county authorities have chosen to adopt the committee systems since the power to do so was granted, limited weight was given to this source of evidence, although it was found to be helpful in highlighting areas in which allowances at this Council are significantly lower or higher than in other areas.
- 4.11 In formulating recommendations about the special responsibility allowances within the new scheme, the Panel sought to examine the nature of the roles undertaken by councillors

and determine the position of each role within a new structure of allowances. This approach was based on the principles that underpin every review of allowances. Factors taken into account included:

- The level of decision-making responsibility associated with each role;
- Other responsibilities associated with each role (such as responsibility for chairing a committee, and attendance at outside meetings associated with the role);
- The time requirement of each role; and
- Any other specialist skills, knowledge or other factors needed to be able to carry out each role effectively.

## **The Panel's Conclusions and Recommendations**

5.1 In undertaking their review, the Panel were mindful of the fact that their recommendations would be subject to considerable internal and external scrutiny and would have to be supported by the evidence considered. The Panel sought to assess the degree of responsibility and time commitment associated with each role prior to placing the roles into a relative hierarchy. The Panel also sought to assess the impact that the new boundaries would have on councillors, particularly in terms of the constituency role.

5.2 The Panel considered whether the current financial and economic climate should inform their recommendations. The Panel took the view that this was an important factor, and the public would quite rightly expect it to form part of the Panel's considerations, but that it had to be balanced against other factors, including the need to encourage democratic diversity and participation in local democracy.

5.3 The councillors whose views were provided to the Panel represented a range of backgrounds, including employed, self-employed and retired members. The Panel took the view that no-one should be prevented from undertaking the role of councillor as a result of their personal circumstances. Having considered the range of information presented to them, they took the view there is sufficient evidence to suggest that allowances play a part in this issue. Factors such as the time commitment required of councillors have a direct bearing on the level of allowances necessary to ensure that a diverse range of citizens are able to consider standing for election.

5.4 There is a general acceptance of the principle that the role of councillor involves a significant element of voluntary service. The Panel believes that it would be inappropriate to make a direct link between allowances for councillors to salaries in the wider workplace.

## **The Basic Allowance**

6.1 The Panel considered a range of evidence and opinion about the basic allowance, including the statutory guidance issued by the Government. The Panel felt that the basic allowance currently paid to councillors is significantly lower than that paid at other county councils. In fact the allowance paid at this authority is the lowest paid by any two tier county council.

The Panel did not hear any evidence that could justify this level of disparity. The Panel were also cognisant of the additional workloads placed on all councillors as a result of the reduction in the number of councillors from 69 to 61 and the resulting increase in the size of each electoral division, as well as the increasing complexity of the role as a result of changes such as the City Deal and the creation of the new Combined Authority. The Panel were also mindful of the fact that some divisions would see a large amount of growth over the next four years.

6.2 The Panel feel that the basic allowance should be seen as covering the reasonable costs associated with holding the office of councillor in accordance with the role description adopted by the Council. The Panel also feel that the allowance should cover costs such as stationery, consumables etc., rather than these being made available to councillors by the Council. The Panel were also concerned about the long-term impact of the Government's decision to prevent councillors from being active members of the Local Government Pension Scheme. With this in mind, they formed the view that an increase in the basic allowance is not only justified, but is necessary in order to reflect the increased workload that all councillors are having to take on, as well as to address the very low level of allowance when compared to other county councils.

6.3 In light of the above, the Panel recommend that the basic allowance should be set at £8,600 per year from the date on which the new scheme of allowance is agreed.

6.4 It should be noted that this recommendation, if adopted, would still place the allowance paid by the Council significantly below the average basic allowance paid by English county councils (currently over £10,300). With this in mind, the Panel also recommends that the basic allowance should no longer be indexed to the annual percentage 'cost of living' award for local government staff, but should instead increase by £250 per year for a period of four years. The Panel feels that this recommendation will address a major shortcoming of the Council's current scheme of allowances in the most sensible way possible.

### **Special Responsibility Allowances**

7.1 On the subject of special responsibility allowances (SRAs), the Panel heard a wide range of views on the different roles that are necessary in order to facilitate the operation of the new governance arrangements. In some cases the message was fairly clear and consistent, such as committee chairs, while in other cases – such as the role of committee lead members - there was far less consensus.

7.2 The Panel reviewed each role individually, using the evidence supplied by councillors, as well as written material supplied by the Council, as the basis for evaluating each role and determining an appropriate allowance. In the context of their recommendation that the basic allowance should increase by £250 per year, the Panel recommends that there should be no indexation or inflationary increase associated with the Special Responsibility



Allowances for the period that the scheme is in operation. The Panel take the view that addressing the basic allowance should take priority.

### 7.3 Leader and Deputy Leaders of political groups.

- 7.3.1 In the case of the Leaders and Deputy Leaders of the political groups, the Panel found evidence that councillors undertaking these roles are expected to take on significant responsibilities, including holding senior officers to account, liaising with individuals inside and outside of the Council and setting priorities for their groups.
- 7.3.2 It is clear to the Panel that, under a committee system, the allowances for these roles must be determined with reference to the size of the group in question and relative to one another. The Panel also factored in the need to ensure that the allowances contained sufficient flexibility to take into account any changes in circumstances resulting from elections or by-elections.
- 7.3.3 The Panel was also mindful of the fact that the Leader of the largest group is also, by virtue of the provisions set out within the Council's constitution, the Chair of the General Purposes Committee and the Leader of the Council. These roles are also now associated with a portfolio holder position within the new Combined Authority. The Panel took the view that this is a significant change to the role and that this should be reflected in a revised allowance. The Panel also decided that there should no longer be separate allowances for the Leader of the largest group and the Chair of the General Purposes Committee. The Panel recommends these allowances should be combined.
- 7.3.4 The Panel recommends that deputy leaders should receive an allowance equivalent to 40% of that paid to the group leader. The exception to this rule is the deputy leader of the largest group. Because this role is also the *de facto* deputy leader of the Council, the allowance recommended is at a slightly higher level.
- 7.3.5 Based on the present composition of the Council, the Panel recommends the following allowances:

#### **Largest Group**

Leader of the Largest Group/Leader of the Council	£25,000
Deputy Leader of the Largest Group	£11,250

#### **Second Largest Group (10 or more seats)**

Leader of the Second Largest Group	£12,500
Deputy Leader of the Second Largest Group	£5,000

#### **Third Largest Group (5 to 9 seats)**

Leader of the Third Largest Group	£7,500
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Deputy Leader of the Third Largest Group	£3,000
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**Fourth Largest Group (2 to 4 seats)**

Leader of the Fourth Largest Group	£3,000
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Deputy Leader of the Fourth Largest Group	£1,200
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**7.4 Policy and Service Committees (excluding the General Purposes Committee).**

7.4.1 During discussions between councillors and the Panel, there was relatively little disparity on the role of the Policy and Service Committee Chairs. The Panel took the view that these are onerous roles which require significant time commitment from those undertaking them. While these roles are not associated with significant individual decision making responsibility, but they are responsible for large committees that will make decisions on a wide range of issues. Councillors undertaking these roles need to develop a significant level of knowledge and expertise in order to fulfil the role effectively.

7.4.2 The Panel felt that the roles of Policy and Service Committee chairs are significant enough that some responsibility has to be delegated to Vice Chairs, albeit with accountability remaining with the Chairs. The Panel did not, however, hear sufficient evidence to justify the current level of allowance (50% of that paid to Chairs), particularly as Vice Chairs have to attend the same meeting as other members in any event.

7.4.3 The Panel heard a range of evidence and opinion about recent changes made to the role of other councillors on the Policy and Service Committees. A significant range of views were aired about the role of the Committee Spokespersons, and the decision to remove these roles and replace them with Committee Lead Members. The Panel acknowledges that the role undertaken by these posts has changed and is now demonstrably less onerous, but also note that the post holders have an important role to play in coordinating the views of their groups and bringing this insight to the committees of which they are members. The Panel believes that an allowance should be paid in respect of these posts.

7.4.4 The Panel recommends the following allowances:

Policy and Service Committee Chair	£12,500
Policy and Service Committee Vice Chair	£4,000
Committee Lead Member	£1,000

7.4.5 The Panel recommends that, where a group holds either the Chair or Vice Chair position on a committee, they will not be eligible to appoint a Lead Member as well.

- 7.4.6 The Panel noted that Group Leaders and Deputy Leaders of smaller groups will not be eligible to claim an allowance for being a Policy and Service Committee lead member under the 'one SRA rule'. For example, the Deputy Leader of the fourth largest group will be eligible to receive an allowance of £200 more than that group's lead member. The allowances should therefore be interpreted in this context.

## 7.5 Regulatory Committees

- 7.5.1 The Panel acknowledged that the chairs of the Regulatory Committees (Audit, Planning and Pensions) are notable roles. The Panel considered that, although it is very likely that the time commitment and responsibility involved would not be as great as that associated with chairs of Policy and Service Committees, it was clear, that councillors undertaking these roles are expected to carry out their duties diligently and hold officers to account when necessary.

- 7.5.2 The Panel felt that the role of the chair of the Pension Fund Board was significant, particularly given recent changes to the governance of the pension fund and the advent of Asset Pooling arrangements, and should therefore be eligible to receive an allowance comparable to that of the chairs of the Audit and Planning Committees.

- 7.5.3 The Panel recommends the following allowances:

Audit Committee Chair	£7,500
Planning Committee Chair	£7,500

- 7.5.4 The Panel recommends the following allowance:

Pension Committee Chair	£7,500
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## 7.1 Other allowances

- 7.1.1 The Panel felt that councillors undertaking the role of Fostering and Adoption Panel member should continue to receive an allowance, mainly because the time commitment and the requirement to handle a large amount of sensitive and distressing information relating to individual cases is significant.

- 7.1.2 The Panel recommends the following allowance:

Adoption/Fostering Panel Member	£3,750
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- 7.2 The Panel has not recommended that special responsibility allowances should be paid to the newly-established Area Lead Members. This should not be interpreted as a rejection of those roles by the Panel. Rather, the Panel did not feel that they had received sufficient

information or evidence to enable them to have the confidence to form a recommendation about these roles. Although role descriptions have now been prepared, they were not available within the timeframe that the Panel were asked to conduct this review. The Panel is open to reconsidering these roles once they have been established for some time.

### **Other allowances and expenses**

8.1 The Panel considered and reviewed all of the other allowances and expenses under their terms of reference (set out in section 3). They have decided to make the following recommendations:

- The dependents' and carers' allowance should be retained at the present rate (at cost) where provided by a registered professional carer, but should be paid at the National Living Wage rate when provided by an adult not normally resident at the councillor's home;
- The amounts payable for travel expenses should continue to be paid at the same rates as those paid to officers;
- The amounts payable for subsistence expenses, as well as the circumstances in which they should be paid, should be clarified as set out in Appendix 1; and
- All reference to the Local Government Pension Scheme should be removed from the Scheme of Allowances completely.

The Panel has not recommended changes to the list of approved duties for which expenses can be claimed. The Panel has, however, recommended a point of clarification. Where a councillor's normal place of residence is outside of the county, travel allowances to meetings within the county will only be paid from the point of entry to the county and not from their home.

### **Other recommendations**

The Panel recommends that the allowance for co-opted members be revised to £50 per half-day. This should not be subject to any inflationary increase for the period the scheme is in operation.

The Panel heard that the Council appoints councillors to a large number of outside bodies and that this has an impact on the workload of councillors. The Panel recommends that a review of outside bodies be conducted with a view to rationalising the number of bodies to which councillors are appointed.

The Panel heard much about the impact of attending meetings on councillors who live some distance from Shire Hall. While the Panel accepts that attendance at many of these meetings is a statutory necessity in order to establish a quorum, it recommends that the Council consider ways in which councillors can be supported to participate remotely in non-statutory meetings such as briefings.

**Appendix 1 – Proposed new scheme of allowances.**

**Appendix 2 – Existing scheme of allowances.**

## 1. Scheme of Allowances

1.1 Elected members of Cambridgeshire County Council may claim the following allowances as specified in this Scheme:

- Basic allowance;
- Special responsibility allowances; and
- Travel and subsistence allowances.

Financial loss allowance is not available to Councillors.

1.2 The basic allowance shall be increased by £250 per year from April 2018 for a period of four years. Special responsibility allowances shall not be subject to any indexed or inflationary increase. The basic allowance and special responsibility allowances will be paid in equal monthly instalments and will be subject to tax and national insurance deductions where appropriate.

## 2. Basic Allowance

2.1 The basic allowance is £8,600 per annum for 2017-18.

## 3. Special Responsibility Allowances

3.1 No member may receive more than one special responsibility allowance. No allowances other than the basic allowance and special responsibility allowances are payable.

Role	Calculation	Allowance 2017-18
<b>Group Positions</b>		
Leader of the Largest Group/Leader of the Council		£25,000
Deputy Leader of the Largest Group/Deputy Leader of the Council	45% of Group Leader/Leader of the Council	£11,250
Leader of the Second Largest Group	50% of Leader of the Council	£12,500
Deputy Leader of the Second Largest Group	40% of Group Leader	£5,000
Leader of the Third Largest Group	30% of Leader of the Council	£7,500
Deputy Leader of the Third Largest Group	40% of Group Leader	£3,000
Leader of the Fourth Largest Group	12% of Leader of the Council	£3,000
Deputy Leader of the Fourth Largest Group	40% of Group Leader	£1,200
<b>Service Committees</b>		
Policy and Service Committee Chair	50% of Leader of the Council	£12,500
Policy and Service Committee Vice Chair	16% of Leader of the Council	£4,000

Policy and Service Committee Lead Member	8% of Committee Chair	£1,000
<b>Regulatory Committees</b>		
Audit Committee Chair	30% of Leader of the Council	£7,500
Pension Fund Board Chair	30% of Leader of the Council	£7,500
Planning Committee Chair	30% of Leader of the Council	£7,500
<b>Other Roles</b>		
Adoption/Fostering Panel Member	15% of Leader of the Council	£3,750

- 3.2 Where a councillor in receipt of a special responsibility allowance fails to attend at least 50% of the meetings for which that allowance is paid in any six month period, that councillor shall be invited to repay an appropriate sum of the allowance received during that period.

#### 4. Travel expenses

- 4.1 Travel by private vehicles will be reimbursed at the rates set for tax allowance purposes by the Inland Revenue for business travel. Currently these are 45p per mile for the first 10,000 miles and 25p a mile thereafter and an additional 5p per mile where a passenger (another councillor) is carried.
- 4.2 Where a councillor's normal place of residence is outside of Cambridgeshire, travel to council offices within Cambridgeshire will be paid from the point of entry to the county and not from the councillor's home.
- 4.3 Parking fees and public transport fares will be reimbursed at cost on production of a valid ticket or receipt. In the case of travel by rail, standard class fare or actual fare paid (if less) will be reimbursed.
- 4.4 Travel allowances are not payable for journeys undertaken outside the County, other than for authorised attendance on behalf of the Council at those meetings under Section 10 (below) that are held outside the County. International travel shall require approval in advance by all Group Leaders.
- 4.5 Taxi fares will only be reimbursed on production of a valid receipt. Taxis should only be used where use of an alternative is not available or if the following conditions are applicable:
- There is a significant saving in official time;
  - The councillor has to transport heavy luggage or equipment; and/or
  - Where councillors are travelling together and it is therefore a cheaper option.
- 4.6 Travel expenses will be reimbursed for any journey undertaken where the councillor was undertaking approved duties (see Section 10 below). Travel expenses will only be reimbursed if claimed within two months.

## **5. Subsistence expenses**

- 5.1 Overnight hotel accommodation must be booked through Democratic Services who will ensure that accommodation is booked at the appropriate market rate. Higher rates of accommodation will only be booked where it is clearly in the County Council's interest and formal approval has been given in advance by the Democratic Services Manager. Any other reasonable and unavoidable costs related to overnight stays will be reimbursed on production of a receipt.
- 5.2 The cost of meals purchased while undertaking Council business cannot be claimed for, except where the member is attending an event such as a conference and meals are not provided, or where the member is required to stay overnight.
- 5.3 The Democratic Services Manager shall be authorised to allow claims to cover the actual cost of the meals up to a reasonable maximum (£10 for lunch, £15 for an evening meal) and upon production of a receipt.

## **6. Dependents' and carers' expenses**

- 6.1 Councillors with care responsibilities in respect of dependent children under 16 or dependent adults certified by a doctor or social worker as needing attendance will be reimbursed, on production of valid receipts, for actual payments to a registered or professional carer. Where care was not provided by a registered or professional carer but was provided by an individual not formally resident at the member's home, a maximum hourly rate equivalent to the National Living Wage (currently £9.45/hour) will be payable.
- 6.2 Dependents' and carers' expenses will only be reimbursed if incurred where the councillor was undertaking approved duties (see section 9 below).

## **7. Stationery**

- 7.1 No claims can be made for the cost of printer cartridges, paper, envelopes, stamps, pens, or other stationery. Nor are these to be provided free of charge by the Council.

## **8. Co-opted Members – Financial Loss Allowance**

- 8.1 A financial loss allowance may only be paid to non-elected members of committees or sub-committees. Co-opted members serving on committees shall be eligible to claim a £50.00 flat fee per half day attended in addition to travel and subsistence allowances.
- 8.2 The fee shall also be paid for attendance at appropriate training events and seminars. Where an event is scheduled to last for more than a whole day, there shall be some discretion for making a higher payment than the usual rate, where this is considered



reasonable. The Democratic Services Manager shall be authorised to exercise such discretion.

## **9. Approved duties**

9.1 Subject to the provisions listed above, travel, subsistence and dependents' and carers' expenses incurred when undertaking duties matching the following descriptions may be claimed for:

- a) Attendance at meetings of Full Council and any committees, working groups or other bodies of the Council of which the councillor is a member;
- b) Attendance at meetings of committees, working groups or other bodies of the Council of which the councillor is not a member but to which the councillor has received a specific, individual invitation by the Chairman of that body;
- c) Attendance at Council premises for the purposes of taking part in formal briefings, training sessions or attending pre-arranged meetings with senior officers to discuss the business of the Council.
- d) Representing the Council at external meetings, including Parish and Town Councils and those of voluntary organisations where the member is there on behalf of the Council;
- e) Attendance at events organised by the Council and/or where invitations have been issued by officers or councillors (including Chairman's events and other corporate events);
- f) Attendance at meetings/events where the Member is an official Council representative or requested by the Leader or the relevant Policy and Service Committee Chair; and
- g) In respect of dependents' and carers' expenses only, undertaking general councillor responsibilities including surgeries.

Expenses incurred as a result of attendance at political group meetings or other party political events may not be claimed for.

## **10. Renunciation of Allowances and Part Year Entitlements**

10.1 A Councillor may elect to forego any part of their entitlement to an allowance under this scheme by providing written notice to the Monitoring Officer.

10.2 If an amendment to this Scheme is made which affects payment of an allowance in the year in which the amendment is made, then in relation to each of the periods:

- a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect; or
- b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year;

the entitlement to the allowance will be to the payment of such part of the allowance as it has effect during the relevant period as bears to the whole the same proportion as the number of days in the period bears to the number of days in the year.

- 10.3 Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance or special responsibility allowance shall be to the payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his term of office subsists bears to the number of days in that year.
- 10.4 Where this Scheme is amended as mentioned in 11.2 and the term of a Councillor does not subsist throughout a period mentioned in 11.2, the entitlement of any such Councillor to a basic allowance or special responsibility allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days during which his or her term of office as a Councillor subsists in that period bears to the number of days in that period.
- 10.5 The Council has the power to withhold payment of all allowances if a member (or co-opted member) ceases to be a member (or co-opted member) or ceases to be entitled to receive an allowance for a period. The authority may require that such part of the allowance as related to any such period be repaid to the Authority.

## **11. Taxation**

- 11.1 Allowances are liable for Income Tax and National Insurance contributions.
- 11.2 Subsistence allowances for meetings or events held on the Shire Hall site are classed as emoluments for Income Tax and National Insurance contributions. This includes either sums claimed or meals provided by the Authority. Meals provided or claimed for meetings in locations other than Shire Hall are not taxable.
- 11.3 The Council will record all meals provided at Shire Hall, and will remit the tax due to the Inland Revenue at the end of the year. Members are asked to note meals taken on the Shire Hall site on their claim forms. No direct taxation will be charged to individual members for those meals taken at Shire Hall. Members are encouraged to take advantage of the meals provided at Shire Hall whenever possible.

11.4 Members can claim some deductible expenses against tax for costs incurred in acting as a member for which no reimbursement is received from the Authority:

- Travel by car - where a member uses his or her own car for the performance of duties, but does not receive a mileage allowance, e.g. for a non-approved duty, the Tax Office may grant a deduction on the costs incurred based on 50% of the Council's approved rate. Members would need to keep records of their mileage on non-approved duties in order to claim this deduction on their tax return.
- Travel by public transport - where a member incurs additional costs for which no allowance can be obtained from the Authority, these costs can be claimed as a deductible expense.
- Where regular payments are made to an assistant to provide secretarial support to a member for any support services which are not provided by the Authority.
- Where money is spent on the hire of rooms for surgeries or public meetings providing they are not for party political purposes.
- Where additional household expenses are incurred (light, fuel etc.) relating to those parts of members' homes that are used for duties as members, Inland Revenue will accept a standard deduction of £120 per year to cover these costs.

11.5 Any items claimed should be itemised on the tax return - Inland Revenue may require evidence and details of the expenditure incurred. Refunds for non-claiming tax allowances can be made for up to the previous six years.

## 1. Scheme of Allowances

1.1 Elected members of Cambridgeshire County Council may claim the following allowances as specified in this Scheme:

- Basic allowance;
- Special responsibility allowances; and
- Travel and subsistence allowances.

Financial loss allowance is not available to Councillors.

1.2 The basic allowance and special responsibility allowances are indexed to the annual percentage 'cost of living' award for local government staff at spinal column 49 until 31 March 2018. The basic allowance and special responsibility allowances will be paid in equal monthly instalments and will be subject to tax and national insurance deductions.

## 2. Basic Allowance

2.1 The basic allowance is **£7,933.32** per annum for **2017-18**.

## 3. Special Responsibility Allowances

3.1 No member may receive more than one special responsibility allowance except for the Chairman/woman of General Purposes Committee and the Leader of the Council, and the Vice-Chairman of General Purposes Committee and the Deputy Leader of the Council. No allowances other than the basic allowance and special responsibility allowances are payable.

Role	Basis for Calculation	Allowance 2017-18
<b>Group Positions</b>		
Leader of the Largest Group		<b>£15,454.52</b>
Deputy Leader of the Largest Group		<b>£11,590.89</b>
Group Leader	Major Group (over 10 members)	<b>£11,333.31</b>
Deputy Leader		<b>£8,499.99</b>
Group Leader	Minor Group (over 3 and up to 10)	<b>£7,212.11</b>
Deputy Leader		<b>£5,409.09</b>

<b>Role</b>	<b>Basis for Calculation</b>	<b>Allowance 2017-18</b>
<b>General Purposes Committee</b>		
Chairman/woman and Leader of the Council		<b>£6,181.81*</b>
Vice-Chairman/woman and Deputy Leader of the Council		<b>£3,090.90*</b>
<b>Service Committees</b>		
Service Committee Chairman/woman	N/A	<b>£12,363.61</b>
Service Committee Vice- Chairman/woman	N/A	<b>£6,181.81</b>
Committee Spokes+		
	Major Groups	<b>£6,181.81</b>
	Minor Groups (pro rata to 10)	
	Group of 7	<b>£4,327.26</b>
	Group of 4	<b>£2,472.72</b>
<b>Regulatory Committees</b>		
Audit Committee Chairman/woman	N/A	<b>£4,636.35</b>
Planning Committee Chairman/woman	N/A	<b>£4,636.35</b>
<b>Other Roles</b>		
Adoption/Fostering Panel Member	N/A	<b>£2,575.75</b>

\* These allowances are in addition to other SRAs.

+ Where a group holds the Vice-Chairman/womanship on a committee a separate allowance for spokes will not be payable in respect of that group and that committee. An allowance for Spokes will not be payable for General Purposes Committee.

- 3.2 Where a councillor in receipt of a special responsibility allowance fails to attend at least 50% of the meetings for which that allowance is paid in any six month period, that councillor shall be invited to repay an appropriate sum of the allowance received during that period.

#### **4. Travel expenses**

- 4.1 Travel by private vehicles will be reimbursed at the rates set for tax allowance purposes by the Inland Revenue for business travel. Currently these are 45p per mile for the first 10,000 miles and 25p a mile thereafter and an additional 5p per mile where a passenger (another councillor) is carried.
- 4.2 Parking fees and public transport fares will be reimbursed at cost on production of a valid ticket or receipt. In the case of travel by rail, standard class fare or actual fare paid (if less) will be reimbursed.
- 4.3 Travel and subsistence allowances are not payable for journeys undertaken outside the County, other than for authorised attendance on behalf of the Council at those meetings under Section 10 (below) that are held outside the County. International travel shall require approval in advance by all Group Leaders.
- 4.4 Taxi fares will only be reimbursed on production of a valid receipt. Taxis should only be used where use of an alternative is not available or if the following conditions are applicable:
- There is a significant saving in official time;
  - The councillor has to transport heavy luggage or equipment; and/or
  - Where councillors are travelling together and it is therefore a cheaper option.
- 4.5 Travel expenses will be reimbursed for any journey undertaken where the councillor was undertaking approved duties (see Section 10 below). Travel expenses will only be reimbursed if claimed within two months.

#### **5. Subsistence expenses**

- 5.1 Overnight hotel accommodation must be booked through Democratic Services who will ensure that accommodation is booked at the appropriate market rate. Higher rates of accommodation will only be booked where it is clearly in the County Council's interest and formal approval has been given in advance by the Democratic Services Manager. Any other reasonable and unavoidable costs related to overnight stays will be reimbursed on production of a receipt.
- 5.2 When members are attending a conference on behalf of the Council, there shall be some discretion as to amount that can be claimed in respect of the cost of meals taken that are not provided as part of the conference fee. The Head of Democratic Services shall be authorised to allow claims to cover the actual cost of the meal, up to a reasonable maximum (£10 for lunch, £15 for an evening meal) and upon production of a receipt.
- 5.3 Subsistence expenses will only be reimbursed if incurred where the councillor was undertaking approved duties (see section 10 below).

## **6. Dependents' carers' expenses**

- 6.1 Councillors with care responsibilities in respect of dependent children under 16 or dependent adults certified by a doctor or social worker as needing attendance will be reimbursed, on production of valid receipts, for actual payments to a registered or professional carer. Where care was not provided by a registered or professional carer but was provided by an individual not formally resident at the member's home, a maximum hourly rate of £6.50 will be payable.
- 6.2 Dependents' carers' expenses will only be reimbursed if incurred where the councillor was undertaking approved duties (see section 10 below).

## **7. Pensions**

- 7.1 Councillors who are members of the Local Government Pension Scheme on 1 April 2014 continue to be eligible for membership in respect of both their basic allowance and special responsibility allowances for the remainder of the term of office they are serving on that date. Councillors who are not existing members of the scheme on that date may not join the scheme after 1 April 2014.

## **8. Stationery**

- 8.1 No claims can be made for the cost of printer cartridges, paper, envelopes, stamps, pens, or other stationery and nor are these to be provided free of charge by the Council.

## **9. Co-opted Members – Financial Loss Allowance**

- 9.1 A financial loss allowance may only be paid to non-elected members of committees or sub-committees. Co-opted members serving on committees shall be eligible to claim a £50.00 flat fee per meeting attended in addition to travel and subsistence allowances.
- 9.2 The fee shall also be paid for attendance at appropriate training events and seminars. Where an event is scheduled to last for a whole day, there shall be some discretion for doubling the usual rate, where this is considered reasonable. The Democratic Services Manager shall be authorised to exercise such discretion.

## **10. Approved duties**

10.1 Travel, subsistence and dependents' carers' expenses incurred when undertaking duties matching the following descriptions may be claimed for:

- a) Attendance at meetings of Full Council and any committees, working groups or other bodies of the Council of which the councillor is a member;
- b) Attendance at meetings of committees, working groups or other bodies of the Council of which the councillor is not a member but to which the councillor has received a specific, individual invitation by the Chairman/woman of that body;
- c) Attendance at Council premises for the purposes of taking part in formal briefings, training sessions or attending pre-arranged meetings with senior officers to discuss the business of the Council;
- d) Representing the Council at external meetings, including Parish and Town Councils and those of voluntary organisations where the member is there on behalf of the Council;
- e) Attendance at events organised by the Council and/or where invitations have been issued by officers or councillors (including Chairman/woman's events and other corporate events);
- f) Attendance at meetings/events where the Member is an official Council representative or requested by the Leader or the relevant Service Committee Chair; and
- g) In respect of dependents' carers' expenses only, undertaking general councillor responsibilities including surgeries.

Expenses incurred as a result of attendance at political group meetings or other party political events may not be claimed for.



## **11. Renunciation of Allowances and Part Year Entitlements**

- 11.1 A Councillor may elect to forego any part of their entitlement to an allowance under this scheme by providing written notice to the Monitoring Officer.
- 11.2 If an amendment to this Scheme is made which affects payment of an allowance in the year in which the amendment is made, then in relation to each of the periods:
- a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect; or
  - b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year;
- the entitlement to the allowance will be to the payment of such part of the allowance as it has effect during the relevant period as bears to the whole the same proportion as the number of days in the period bears to the number of days in the year.
- 11.3 Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance or special responsibility allowance shall be to the payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his term of office subsists bears to the number of days in that year.
- 11.4 Where this Scheme is amended as mentioned in 11.2 and the term of a Councillor does not subsist throughout a period mentioned in 11.2, the entitlement of any such Councillor to a basic allowance or special responsibility allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days during which his or her term of office as a Councillor subsists in that period bears to the number of days in that period.
- 11.5 The Council has the power to withhold payment of all allowances if a member (or co-opted member) ceases to be a member (or co-opted member) or ceases to be entitled to receive an allowance for a period. The authority may require that such part of the allowance as related to any such period be repaid to the Authority.

## **12. Taxation**

- 12.1 Allowances are liable for Income Tax and National Insurance contributions.
- 12.2 Subsistence allowances for meetings or events held on the Shire Hall site are classed as emoluments for Income Tax and National Insurance contributions. This includes either sums claimed or meals provided by the Authority. Meals provided or claimed for meetings in locations other than Shire Hall are not taxable.
- 12.3 The Council will record all meals provided at Shire Hall, and will remit the tax due to the Inland Revenue at the end of the year. Members are asked to note meals taken on the Shire Hall site on their claim forms. No direct taxation will be charged to individual members for those meals taken at Shire Hall. Members claiming subsistence for meals purchased when attending meetings at Shire Hall will have tax deducted from their claim on a monthly basis. Members are encouraged to take advantage of the meals provided at Shire Hall whenever possible.
- 12.4 Members can claim some deductible expenses against tax for costs incurred in acting as a member for which no reimbursement is received from the Authority:
- Travel by car - where a member uses his or her own car for the performance of duties, but does not receive a mileage allowance, e.g. for a non-approved duty, the Tax Office may grant a deduction on the costs incurred based on 50% of the Council's approved rate. Members would need to keep records of their mileage on non-approved duties in order to claim this deduction on their tax return.
  - Travel by public transport - where a member incurs additional costs for which no allowance can be obtained from the Authority, these costs can be claimed as a deductible expense.
  - Where regular payments are made to an assistant to provide secretarial support to a member for any support services which are not provided by the Authority.
  - Where money is spent on the hire of rooms for surgeries or public meetings providing they are not for party political purposes.
  - Where additional household expenses are incurred (light, fuel etc.) relating to those parts of members' homes that are used for duties as members, Inland Revenue will accept a standard deduction of £120 per year to cover these costs.
- 12.5 Any items claimed should be itemised on the tax return – Inland Revenue may require evidence and details of the expenditure incurred. Refunds for non-claiming tax allowances can be made for up to the previous six years.

**A CHANGE TO THE COUNCIL'S CONTRACT PROCEDURE RULES FOR WHEN THE COUNCIL RECEIVES FEWER THAN THREE BIDS BACK FROM A COMPETITIVE PROCESS**

*To:* Council

*Date:* 18th July 2017

*From:* LGSS Director of Law & Governance  
and Monitoring Officer

*Purpose:* A change to the Council's Contract Procedure Rules for when the Council receives fewer than three bids back from a competitive process.

*Recommendation:* The Council is recommended:

to agree that paragraph 4.7 of Part 1 of the Contract Procedure Rules be amended to read (additional text in italics and underlined):

**4.7 Exemptions over the Council's Key Decision Threshold**

Exemption requests cannot be sought for exemptions equal to or above the Council's Key Decision threshold, *except where the minimum number of bids cannot be obtained following a competitive process (tender/call off from a framework etc.). In that case, written approval to read and evaluate the responses must be obtained from the Chief Officer for the area conducting the procurement and the Monitoring Officer and the Chief Finance Officer.*

<b><i>Officer contact:</i></b>	
Name:	Gus de Silva
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## **1. BACKGROUND**

- 1.1 The Contract Procedure Rules set out rules for all staff and Members to follow the Council's position on contracting and procuring goods, services and works on behalf of the organisation. This includes behaviour according to spend and according to types of procurement decisions.
- 1.2 These rules are available to staff on the intranet and are included in the Council's Constitution as Annex 2 to Part 4.6 – Financial and Contract Rules.
- 1.3 In any instance where the rules are not followed, an exemption process is used and documented to justify the rationale. Often there may be exceptional circumstances where it is in the best interest of the Council to deviate slightly from the rules. This exemption process and approval route is documented in the Contract Procedure rules. The exemption process operates solely up to the Council's Key Decision limit (£500,000). Thereafter it must go to the relevant Committee appropriate to the nature of the contract via the Committee process.
- 1.4 Following a recent audit of tendering and procurement processes conducted by various service areas in the council it was noted that on occasions a competitive tender process was conducted following EU laws, which include EU and national advertising and awarding the opportunity and set minimum times to keep an opportunity open for interest, but nonetheless the outcome was that fewer than three bidders responded.
- 1.5 There are various reasons this could happen, such as lack of interest, market conditions and appetite, or niche supply for the services.
- 1.6 In these scenarios it was difficult for Audit to evidence that permission had been given from Committee to move forward with fewer than three bids. In some instances there was no evidence at all and in other instances the premise was discussed for approval but not necessarily this point.
- 1.7 It is also difficult to determine the likely number of responses until the deadline has passed. Strict EU procurement rules ensure that responses cannot be reviewed until the closing date has passed.

## **2. MAIN ISSUES**

- 2.1 If fewer than three tenders are received the exemption process must be followed. However when the contract/procurement is over the key decision threshold this means going to Committee specifically for this reason. This can delay the tender process, its timelines, and notice to those bidders who did take the time to formally respond to a tender under such circumstances. Tender responses are often only valid for 30 to 60 days and seeking specific Committee approval to read and evaluate the bids in the event that fewer than three bids are received can cause delay.
- 2.2 Seeking permission to procure goods, services or works will and must always go to Committee for approval if it is a key decision, and there is no proposal to change this.

- 2.3 Seeking permission to award to the preferred bidder of procured goods, services or works will and must always go to Committee for approval if it is a key decision, and there is no proposal to change this.
- 2.4 What is being asked is that if the response to the number of bids is low, then the Officer does not need to go to Committee to seek approval to read and evaluate the responses.
- 2.5 From an audit point of view it becomes difficult to track which committee papers have this question raised and answered amongst the other decisions raised at Committee.
- 2.6 In terms of scrutiny the proposal is to change the Contract Procedure Rules (specifically paragraph 4.7 of Part 1) to include the **bold** addition to the existing clause:

4.7 Exemptions over the Council's Key Decision Threshold

Exemption requests cannot be sought for exemptions equal to or above the Council's Key Decision threshold, **except where the minimum number of bids cannot be obtained following a competitive process (tender/call off from a framework etc.). In that case, written approval to read and evaluate the responses must be obtained from the Chief Officer for the area conducting the procurement and the Monitoring Officer and the Chief Finance Officer.**

### 3. CONSTITUTION AND ETHICS COMMITTEE

- 3.1 At its meeting on 20 June 2017, some Members felt that the proposal should be recommended to Council with the addition of any such decision once made being communicated to the Chair and lead members and to all members of the relevant Committee and to all members of General Purposes Committee; this view was not supported by the majority of the Committee.

Source Documents	Location
Contract Procedure Rules	Part 4.6 Annex 2 of the Constitution at <a href="https://cmis.cambridgeshire.gov.uk/ccclive/Documents/PublicDocuments.aspx">https://cmis.cambridgeshire.gov.uk/ccclive/Documents/PublicDocuments.aspx</a>

**REVISION OF THE TERMS OF REFERENCE FOR THE AUDIT AND ACCOUNTS COMMITTEE**

**To:** Council

**Date:** 18th July 2017

**From:** LGSS Director of Law & Governance and  
Monitoring Officer

**Purpose:** The Committee is asked to consider proposed revised Terms of Reference for the Audit and Accounts Committee; these were endorsed by the Audit and Accounts Committee at its meeting on 30th May 2017.

**Recommendation:** That the Committee recommend to Council that  
  
the Terms of Reference for the Audit and Accounts Committee be modified in accordance with the draft Terms of Reference set out at report Annex B.

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## **1. BACKGROUND**

- 1.1 The current Audit and Accounts Terms of Reference have been in place since May 2014 when the Council Committee system was established.
- 1.2 The June 2016 meeting of the Audit and Accounts Committee agreed to cease oversight of the Assurance Framework as this was deemed to duplicate the information provided in the risk register update.
- 1.3 The oversight responsibility for the Assurance Framework in the terms of reference has therefore been removed. The opportunity was taken to also conduct a complete review and update in line with best practice guidance issued by the public sector accountancy body CIPFA.

## **2. MAIN ISSUES**

- 2.1 Attached are two appendices - the revised terms of reference showing the proposed changes from the previous version (**Annex A**), and a clean copy of the revised terms of reference (**Annex B**).
- 2.2 The revised terms of reference captures all the previous responsibilities, grouping them under four distinct headings for greater clarity, namely – audit activity, regulatory framework, accounts and risk management. The revision also incorporates header sections addressing the Committee’s specific constitution and statement of purpose.
- 2.3 Following the presentation of the revised terms of reference to the Audit and Accounts Committee on 30th May 2017, several minor amendments were made:
  - Para 1.7 was revised to refer to the “Annual Audit Letter” rather than the “Annual Audit and Inspection Letter”, to correctly reflect the role of the External Auditor;
  - An addition was made to the Summary of Functions, to reflect the role of the Audit & Accounts Committee in considering value for money.

## **3. CONSTITUTION AND ETHICS COMMITTEE**

- 3.1 At its meeting on 20 June 2017, the Constitution and Ethics Committee examined the revised terms of reference, checking that various aspects of the previous document had been captured in the new version. In particular, concern was expressed at the omission of the previous reference to reports on the provision of internal audit services under S.151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2003 (Regulation 6); if it had previously been considered necessary to refer explicitly to the legislation, why was this no longer needed.
- 3.2 Officers said that the view had been taken that it was better to have regard to readability when explaining the duties of the Committee, rather than citing

legislation. The Monitoring Officer advised that there was no legal requirement to include such detail; it was more a matter of stylistic approach. Some authors of constitutional documents liked to include reference to every piece of enabling legislation, whereas his approach was not to include every legislative detail, though it could be helpful to cite legislation where there was a significant and clear statutory requirement.

- 3.3 The Chairman suggested that the matter be referred to the Audit and Accounts Committee for consideration, to check whether or not reference to legislation had been deliberately omitted and revisit the proposed amendment of point 4 of the current terms of reference; officers said that it would be helpful to have a view on whether legislation should be reflected throughout the document. As this was not a constitutional matter but a question of clarification, the Chairman asked that the result of the Audit and Accounts Committee's deliberations be circulated to all members of the Constitution and Ethics Committee by email.
- 3.4 The Monitoring Officer drew attention to the reference at 2.1 "To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations, codes of conduct etc". He reported that the Constitution and Ethics Committee was responsible for maintaining an overview of the Code of Conduct, and it was important to avoid duplication of responsibilities. It was acknowledged that Audit and Accounts had a role in maintaining an overview of the Constitution as it was the key basis on which the Council's assurance framework was built but it did not have responsibility for considering and recommending changes to Council.
- 3.5 In further discussion, attention was drawn to the removal of receipt of the relationship management report and the function of scrutinising the Council's response to issues raised (point 10 of the current terms of reference); concern was expressed at the removal of the scrutiny function. It was noted that overall the scrutiny function was still reflected in Part 2. Members were advised that this change of wording, removing scrutiny and instead referring to specific reports, was based on best practice guidance; the Committee still had a role providing scrutiny of the Council's performance, but internal audit referred to this activity as assurance rather than scrutiny. Point 10 had been broken down into proposed points 1.7 and 1.8 setting out the elements of the scrutiny of that aspect. It was the officer's understanding that a Relationship Management Report was no longer produced.
- 3.6 In answer to a question about the difference between overseeing (present point 17) and undertaking (proposed point 1.13) an annual review of the effectiveness of the system of Internal Audit, it was explained that the Audit and Accounts Committee was expected to play an active role in the review; that Committee was required to agree that an annual review take place and who was responsible for carrying it out.
- 3.7 Concern was expressed that proposed point 1.2 (To approve, but not direct, Internal Audit's annual plan of work...) suggested that the Committee could approve, but not amend, the plan of work proposed by Internal Audit; it



appeared that an opportunity for members to influence the areas of activity on which the plan of work should concentrate was being lost. It was explained that Internal Audit needed to have independence to plan its work, but proposed point 1.12 (To suggest work for Internal and External Audit) supplemented 1.2 and gave members the opportunity to suggest, but not dictate, work for Internal Audit. The Committee had a role in directing Internal Audit work, but was not responsible for directing it.

3.8 It was objected that ‘suggest’ and ‘direct’ did not have the same meaning, and there appeared to be no capacity for the Committee to require something to be done. Members asked that, if point 1.12 could not be changed, it should be numbered 1.3 and placed immediately after 1.2, so that it was clear that the Audit and Accounts Committee had an opportunity at least to suggest work for Internal and External Audit, if not to direct it. It was suggested that the new wording be accepted at present, but that there would be sufficient time for the Audit and Accounts Committee to reconsider this point, given that the Audit Plan for the following year was due to be presented to the Committee at its March meeting.

3.9 The Committee agreed a second recommendation be added to that in the report:

to invite the Audit and Accounts Committee to consider the efficacy of the term ‘but not direct’ in point 1.2 and its relationship to 1.12, which said ‘suggest’, and to consider whether this wording was appropriate.

3.10 The Monitoring Officer sought clarification of proposed point 2.1 of the terms of reference (To maintain an overview of the Council’s Constitution in respect of contract procedure rules, financial regulations, codes of conduct etc.) because of its similarity to the terms of reference of the Constitution and Ethics Committee. He suggested it would be better to give responsibility to only one committee, to avoid the risk of different decisions being reached on the Code of Conduct. It was explained that maintaining an overview of the Constitution was included in the Audit and Accounts Committee terms of reference because it was the key basis on which all assurance work was built, though clarification was perhaps required that the Committee was not responsible for the Constitution; the Audit and Accounts Committee needed to assure itself that the Constitution was fit for purpose.

Source Documents	Location
Council Constitution	<a href="http://tinyurl.com/Constitution-CCC">http://tinyurl.com/Constitution-CCC</a>
Report to Audit and Accounts Committee 30 May 2017	<a href="https://cmis.cambridgeshire.gov.uk/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/682/Committee/9/Default.aspx">https://cmis.cambridgeshire.gov.uk/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/682/Committee/9/Default.aspx</a>



## **Annex A**

*This appendix sets out the proposed revised terms of reference, showing changes from the May 2014 version with additions underlined and deletions struck through.*

### **AUDIT AND ACCOUNTS COMMITTEE TERMS OF REFERENCE**

#### **1. Membership:**

Seven members of the Council. The Chairman/woman and Vice-Chairman/woman of the Committee shall be elected by the Audit and Accounts Committee.

The Audit and Accounts Committee shall be entitled to appoint up to three people at any one time as non-voting co-opted members of the Committee. The Committee shall determine whether the co-options shall be effective for a specified period, for specific meetings or for specific items. The Committee may not co-opt any person who is an active member of any political party, defined as any person who engages in political activities which would not be permissible if that person was an officer holding a politically-restricted post within the Council. Co-options may only be made if the person co-opted has particular knowledge or expertise in the functions for which the Committee is responsible.

The Committee will meet at least four times a year, and will maintain the technical capability to discharge the Audit and Accounts Committee responsibilities of the Council.

#### **2. Summary of Functions:**

- To provide independent assurance of the adequacy of the risk management framework and the associated control environment.
- To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakness of the control environment.
- To oversee the financial reporting process.
- To review matters relating to Internal Audit, external audit, risk management, governance, assurance statements, anti-fraud and anti-corruption arrangements.
- To enhance and promote the profile, status and authority of the Internal Audit function and to demonstrate its independence.



- To contribute towards making the authority, its committees and departments more responsive to the audit function.
- To review compliance with the relevant standards, codes of practice and corporate governance policies.
- To consider the extent to which the authority's control environment is successful in achieving value for money.

Delegated Authority	Delegation/ Condition
<p><b><u>1 Audit Activity</u></b></p> <p><del>6. To approve and monitor delivery of the Internal Audit's Strategy and performance and to consider and endorse the Annual Work Programme</del></p> <p><u>1.1 To approve the Internal Audit strategy and monitor its progress</u></p> <p><u>1.2 To approve, but not direct, Internal Audit's annual plan of work and monitor unscheduled work that could potentially divert audit resources away from a plan, and monitor performance against those plans, ensuring that there are no inappropriate scope or resource limitations.</u></p> <p><u>1.3 To consider the Annual Report and opinion of the Head of Audit and a summary of Internal Audit activity and the level of assurance it can give over the Council's corporate governance arrangements [new]</u></p> <p><del>8. To seek assurance that action has been taken to implement the recommendations arising from the findings of significant audit work</del></p> <p><u>1.4 To consider summary Internal Audit reports and the main issues arising, and seek assurance that action has been taken where necessary</u></p> <p><del>4 To consider reports on the provision of internal audit services under S.151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2003 (Regulation 6)</del></p> <p><u>1.5 To consider reports dealing with the management and performance of the Internal Audit function.</u></p> <p><del>8. To seek assurance that action has been taken to implement the recommendations arising from the findings of significant audit work</del></p>	



Delegated Authority	Delegation/ Condition
<p><u>1.6 To consider reports from Internal Audit on agreed recommendations not implemented within reasonable timescales</u></p> <p><del>10. To receive, for information, the Relationship Management Report and Annual Audit Letter and to scrutinise the Council's response to issues raised</del></p> <p><u>1.7 To consider the Annual Audit Letter, relevant reports and the reports of those charged with governance</u></p> <p><u>1.8 To consider specific reports as agreed with the External Auditor to ensure agreed action is taken within reasonable timescales [new]</u></p> <p><del>9. To discuss the Audit Planning Memorandum with external audit</del></p> <p><u>1.9 To comment on the scope and depth of the external audit work and to ensure it gives value for money</u></p> <p><u>1.10 To liaise with Public Sector Audit Appointments Limited over the appointment of the Council's External Auditor [new]</u></p> <p><del>7. To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted</del></p> <p><u>1.11 To consider the reports of inspection agencies relevant to the Council</u></p> <p><u>1.12 To suggest work for Internal and External Audit [new]</u></p> <p><del>17. To oversee the annual review of the effectiveness of the system of internal audit</del></p> <p><u>1.13 To undertake an annual review of the effectiveness of the system of Internal Audit</u></p>	
<p><b><u>2 Regulatory Framework</u></b></p> <p><del>13. To make recommendations as to the wording and content of revisions to the County Council's Financial and Contract Procedure Rules (NB changes to the Financial and Contract Procedure Rules must be approved by Full Council in order to become effective.)</del></p> <p><u>2.1 To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations, codes of conduct etc.</u></p>	



Delegated Authority	Delegation/ Condition
<p><u>2.2 To review any issue referred to it by the Chief Executive or Executive Director or any Committee of the Council [new]</u></p> <p><del>12. To advise on the content of revisions to the Council's risk management policy</del></p> <p><u>2.3 To monitor the effective development and operation of risk management and corporate governance throughout the Council</u></p> <p><del>2. To consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements</del></p> <p><u>2.4 To monitor council policies on "raising concerns at work" and anti-fraud and anti-corruption policies, including the Council's complaints process</u></p> <p><del>11. To ensure that the Council's Annual Governance Statement properly reflects the risk environment and any actions required to improve it</del></p> <p><del>1 (d) to review annually the Council's system of internal control and to agree an Annual Governance Statement for inclusion in the statement of accounts</del></p> <p><u>2.5 To oversee the production of the Council's Statement of Internal Control/Governance Statement and recommend its adoption</u></p> <p><del>16. To approve and maintain the Council's Code of Corporate Governance</del></p> <p><u>2.6 To consider the arrangements for corporate governance and to agree necessary actions to ensure compliance with best practice</u></p> <p><u>2.7 To consider the Council's compliance with its own and published standards and controls</u></p> <p><del>14</del> <u>2.8</u> To report as appropriate to Full Council, relevant Policy and Service Committees and the Constitution and Ethics Committee on issues which require their attention or further action</p> <p><del>15</del> <u>2.9</u> To bring to the attention of the General Purposes Committee any issue which may warrant further consideration or review</p>	
<p><b><u>3 Accounts</u></b></p> <p><del>1 (a) to consider and approve the annual statement of accounts</del></p> <p><u>3.1 To review and approve the annual Statement of Accounts</u></p>	



Delegated Authority	Delegation/ Condition
<p>5. <del>To review the financial statements, external auditor's opinion and reports to members, and monitor management actions in response to the issues raised by external audit</del></p> <p>3.2 <u>Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council</u></p> <p>3.3 <u>To consider the External Auditor's report to those charged with the governance issues arising from the audit of the accounts</u></p>	
<p><b><u>4 Risk Management</u></b></p> <p>2. <del>To consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements</del></p> <p>4.1 <u>To consider the effectiveness of the Council's risk management arrangements</u></p> <p>4.2 <u>To seek assurances that action is being taken on risk-related issues</u></p> <p>11. <del>To ensure that the Council's Annual Governance Statement properly reflects the risk environment and any actions required to improve it</del></p> <p>4.3 <u>To be satisfied that the Council's assurance statements, including the Statement of Internal Control, properly reflect the risk environment and any actions required to improve it</u></p>	



## **Annex B**

*This appendix sets out the proposed revised terms of reference, without showing changes from the May 2014 version.*

### **AUDIT AND ACCOUNTS COMMITTEE TERMS OF REFERENCE**

#### **3. Membership:**

Seven members of the Council. The Chairman/woman and Vice-Chairman/woman of the Committee shall be elected by the Audit and Accounts Committee.

The Audit and Accounts Committee shall be entitled to appoint up to three people at any one time as non-voting co-opted members of the Committee. The Committee shall determine whether the co-options shall be effective for a specified period, for specific meetings or for specific items. The Committee may not co-opt any person who is an active member of any political party, defined as any person who engages in political activities which would not be permissible if that person was an officer holding a politically-restricted post within the Council. Co-options may only be made if the person co-opted has particular knowledge or expertise in the functions for which the Committee is responsible.

The Committee will meet at least 4 times a year, and will maintain the technical capability to discharge the Audit and Accounts Committee responsibilities of the Council.

#### **4. Summary of Functions:**

- To provide independent assurance of the adequacy of the risk management framework and the associated control environment.
- To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakness of the control environment.
- To oversee the financial reporting process.
- To review matters relating to Internal Audit, external audit, risk management, governance, assurance statements, anti-fraud and anti-corruption arrangements.
- To enhance and promote the profile, status and authority of the Internal Audit function and to demonstrate its independence.



- To contribute towards making the authority, its committees and departments more responsive to the audit function.
- To review compliance with the relevant standards, codes of practice and corporate governance policies.
- To consider the extent to which the authority's control environment is successful in achieving value for money.

Delegated Authority	Delegation/ Condition
<p><b><u>1 Audit Activity</u></b></p> <p>1.1 To approve the Internal Audit strategy and monitor its progress</p> <p>1.2 To approve, but not direct, Internal Audit's annual plan of work and monitor unscheduled work that could potentially divert audit resources away from a plan, and monitor performance against those plans, ensuring that there are no inappropriate scope or resource limitations.</p> <p>1.3 To consider the Annual Report and opinion of the Head of Audit and a summary of Internal Audit activity and the level of assurance it can give over the Council's corporate governance arrangements</p> <p>1.4 To consider summary Internal Audit reports and the main issues arising, and seek assurance that action has been taken where necessary</p> <p>1.5 To consider reports dealing with the management and performance of the Internal Audit function.</p> <p>1.6 To consider reports from Internal Audit on agreed recommendations not implemented within reasonable timescales</p> <p>1.7 To consider the Annual Audit Letter, relevant reports and the reports of those charged with governance</p> <p>1.8 To consider specific reports as agreed with the External Auditor to ensure agreed action is taken within reasonable timescales</p> <p>1.9 To comment on the scope and depth of the external audit work and to ensure it gives value for money</p> <p>1.10 To liaise with Public Sector Audit Appointments Limited over the appointment of the Council's External Auditor</p>	





Delegated Authority	Delegation/ Condition
<p>1.11 To consider the reports of inspection agencies relevant to the Council (such as Ofsted, the Information Commissioner's Office, etc.)</p> <p>1.12 To suggest work for Internal and External Audit</p> <p>1.13 To undertake an annual review of the effectiveness of the system of Internal Audit</p>	
<p><b><u>2 Regulatory Framework</u></b></p> <p>2.1 To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations, codes of conduct etc.</p> <p>2.2 To review any issue referred to it by the Chief Executive or Executive Director or any Committee of the Council</p> <p>2.3 To monitor the effective development and operation of risk management and corporate governance throughout the Council</p> <p>2.4 To monitor council policies on "raising concerns at work" and anti-fraud and anti-corruption policies, including the Council's complaints process</p> <p>2.5 To oversee the production of the Council's Statement of Internal Control/Governance Statement and recommend its adoption</p> <p>2.6 To consider the arrangements for corporate governance and to agree necessary actions to ensure compliance with best practice</p> <p>2.7 To consider the Council's compliance with its own and published standards and controls</p> <p>2.8 To report as appropriate to Full Council, relevant Policy and Service Committees and the Constitution and Ethics Committee on issues which require their attention or further action</p> <p>2.9 To bring to the attention of the General Purposes Committee any issue which may warrant further consideration or review</p>	
<p><b><u>3 Accounts</u></b></p> <p>3.1 To review and approve the annual Statement of Accounts</p> <p>3.2 Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the</p>	



Delegated Authority	Delegation/ Condition
<p>financial statements or from the audit that need to be brought to the attention of the Council</p> <p>3.3 To consider the External Auditor's report to those charged with the governance issues arising from the audit of the accounts</p>	
<p><b><u>4 Risk Management</u></b></p> <p>4.1 To consider the effectiveness of the Council's risk management arrangements</p> <p>4.2 To seek assurances that action is being taken on risk-related issues</p> <p>4.3 To be satisfied that the Council's assurance statements, including the Statement of Internal Control, properly reflect the risk environment and any actions required to improve it</p>	

**COUNTY COUNCIL – PROPOSED CHANGES TO THE CONSTITUTION**

<i>To:</i>	<b>Council</b>
<i>Meeting Date:</i>	<b>18th July 2017</b>
<i>From:</i>	<b>LGSS Director of Law &amp; Governance and Monitoring Officer</b>
<i>Purpose:</i>	<b>To consider the recommendations of the Constitution and Ethics Committee to amend the Council's Constitution.</b>
<i>Recommendation:</i>	<p><b>It is recommended that Full Council approve the amendments to the Council's Constitution, as recommended by the Constitution and Ethics Committee, as follows:-</b></p> <ul style="list-style-type: none"><li><b>(i) that the number of substitute members be equal to the number of members on a committee/sub-committee with a minimum of three substitute members per political group.</b></li><li><b>(ii) that the two new committees, Commercial and Investment Committee and Communities and Partnership Committee, be classified as policy and service committees.</b></li><li><b>(iii) to remove the following requirement in the Council Procedure Rules which states that the Annual Meeting will</b>  <b>“Receive a short (two sides of A4) report on each Policy and Service Committee. The report to be prepared by the relevant Service and not open for discussion at the meeting.”</b></li><li><b>(iv) that Article 7, paragraph 7.03 of the Council's Constitution be amended to reflect that the Vice-Chairman/woman of General Purposes Committee shall be, ex officio, Deputy Council Leader.</b></li><li><b>(v) that Article 7, paragraph 7.05 of the Council's Constitution be amended to reflect that one briefing meeting shall be held for all opposition lead members to brief them on the agenda for future service committee meetings and consider any other issues the officer may think appropriate.</b></li></ul>

- (vi) to recommend to Full Council that Part 3A – Responsibility for Functions, Section 2(f) of the Council’s Constitution be amended to reflect the fact that Council also appoints the Chairman/woman and Vice-Chairman/woman of Commercial and Investment Committee and Communities and Partnership Committee, and the Chairman/woman of the Health and Wellbeing Board.
- (vii) to remove the following requirement in Part 2 – Articles, Article 7 of The Council’s Constitution which states:  
  

**“7.06 Training**

The Council will hold an annual training day for Chairmen/women, Vice-Chairmen/ women and lead members with a focus on their roles and remits individually and collectively.”
- (viii) to revert to the original meeting start time of 10.30am for all full Council meetings.
- (ix) that the re-drafted terms of reference for the Commercial and Investment Committee be adopted, as set out in Appendix A of the report before Council.
- (x) that in relation to the Corporate Asset Management Plan and the Strategy Asset Development Strategy, Full Council takes into account the recommendation of Commercial and Investment Committee rather than of General Purposes Committee.
- (xi) to remove reference in the Constitution to approving the Local Transport Plan.

<b><i>Officer contact:</i></b>	
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## **1. BACKGROUND**

- 1.1 At its annual meeting on 23rd May 2017, Council approved a number of changes to the Constitution. It also authorised the Chief Finance Officer, in consultation with the Commercial and Investment Committee, to amend the committee's terms of reference to incorporate commercialisation within its remit, and the LGSS Director Law and Governance to take all steps necessary or incidental to implement the changes to the Constitution detailed in the report.
- 1.2 The Vice-Chairman of Council, Councillor Mac McGuire, who is also chair of the Constitution and Ethics Committee, met with the Democratic Services Manager to propose a number of further changes to the Constitution for consideration. These are detailed in Section 2.
- 1.3 Although the Chief Finance Officer was authorised to amend the Commercial and Investment Committee's terms of reference to incorporate commercialisation within its remit. It is proposed, for openness and transparency, to ask Council to agree the amended terms of reference.
- 1.4 There is one further change relating to the Combined Authority. It now has statutory responsibility for the adoption of, and any amendment or withdrawal to the Transport Plan (Local Transport Plan).

## **2. FURTHER CHANGES TO THE CONSTITUTION**

- 2.1 The Constitution and Ethics Committee, at its meeting on 20 June 2017, considered the following changes to the Constitution proposed by the Vice-Chairman of Council.

### **Substitutes**

- 2.2 The Council, together with many other councils, has a substitute system. Details of the Council's system are set out in the Constitution at Part 4 – Rules of Procedure, Part 4.1 – Council Procedure Rules, as detailed below:

“As well as allocating seats on committees and sub-committees, the Council will allocate seats in the same manner for up to four members of each political group as substitute members.

### **Powers and Duties**

Substitute members, when substituting for an ordinary member of the committee, will have all the powers and duties of any ordinary member of the committee but will not be able to exercise any special powers or duties exercisable by the person they are substituting.

### **Substitution**

Substitute members may attend meetings in that capacity only:

- (i) To take the place of the ordinary member for whom they are the designated substitute.

- (ii) After notifying the relevant Democratic Services Officer of the intended substitution before the start of the meeting.

In the event of the ordinary member of the committee being present at the start of the meeting, the ordinary member may advise that the substitution shall not take effect. The membership of the committee shall be as constituted at the start of the meeting and substitution will not be permitted during the course of the meeting.

Substitute members are eligible for allowances in accordance with the Council's scheme of allowances as if they were appointed members of that committee."

- 2.3 The Constitution and Ethics Committee agreed that the number of substitute members should be equal to the number of members on a committee/sub-committee with a minimum of three substitute members per political group.

### **Policy and Service Committees**

- 2.4 The Constitution and Ethics Committee agreed that the two new committees, Commercial and Investment Committee and Communities and Partnership Committee, be classified as policy and service committees. These committees will therefore have Lead Members and be subject to review of decision by General Purposes Committee.

- 2.5 It was also agreed to remove the following requirement in the Council Procedure Rules which states that the Annual Meeting will

"Receive a short (two sides of A4) report on each Policy and Service Committee. The report to be prepared by the relevant Service and not open for discussion at the meeting."

### **Deputy Council Leader**

- 2.6 Part 2 – Articles, Article 7 – The Leader, Chairmen/women and Vice-Chairmen/women of Committees and Lead Members, of the Council's Constitution states the following:

#### **"7.01 Council Leader**

The Chairman of the General Purposes Committee shall be, ex-officio, Council Leader and shall hold office unless and until:

- (a) He/she is suspended from being a Councillor under Part III of the Local Government Act 2000 (although he/she may resume office at the end of the period of suspension); or
- (b) He/she ceases to be Chairman/woman of the General Purposes Committee."

- 2.7 It is already in other parts of the Constitution that the Council will appoint the Chairman/woman and Vice-Chairman/woman of the General Purposes Committee who will also fulfil the role of Leader and Deputy Leader of the Council respectively. The Constitution and Ethics Committee therefore agreed unanimously that the Vice-Chairman/woman of General Purposes Committee shall be, ex-officio, Deputy Council Leader, be reflected within Article 7, paragraph 7.03 of the Council's Constitution.

## **Lead Members**

2.8 The Council's Constitution states the following:

### **"7.05 Lead Members**

Each of the Council's political groups may designate one of their group members as lead member for each service committee.

The Chief Executive, Executive Directors, and Directors shall hold briefing meetings with their relevant service committee Chairman/woman and Vice-Chairman/woman to plan the agenda for future service committee meetings and consider any other issues the officer may think appropriate. They will also hold briefing meetings with opposition lead members to brief them on the agenda for future service committee meetings and consider any other issues the officer may think appropriate. All these meetings will be confidential subject to any relevant legal requirements to the contrary."

The Constitution and Ethics Committee agreed that all opposition lead members should be briefed together on the agenda for future service committee meetings and any other issues the officer may think appropriate. This does not prevent lead members from asking for individual private and confidential briefings from Executive Directors, Directors, Service Directors, and LGSS Directors on any relevant policy matter within the remit of that Director.

## **Council Functions**

2.9 The Constitution and Ethics Committee acknowledged the need to amend the following in Part 3A – Responsibility For Functions, Section 2(f) to reflect the fact that Council also appoints the Chairman/woman and Vice-Chairman/woman of Commercial and Investment Committee, and Communities and Partnership Committee, and the Chairman/woman of the Health and Wellbeing Board:

## **Training**

2.10 Part 2 – Articles, Article 7 of The Council's Constitution states the following:

### **"7.06 Training**

The Council will hold an annual training day for Chairmen/women, Vice-Chairmen/women and lead members with a focus on their roles and remits individually and collectively."

Given the changes following the election, the Constitution and Ethics Committee acknowledged the need for flexibility regarding the delivery of training, and agreed to remove this requirement in the Constitution.

## **Timing of Council Meetings**

2.11 Following a mini review of the Council's governance procedures, it was agreed that from March 2016 full Council should start at 1.30pm instead of 10.30am (except for meetings

when the Business Plan is being considered, which remain at 10.30am). The Constitution and Ethics Committee agreed to revert to the original time meeting start time of 10.30am for all full Council meetings.

### **3. COMMERCIAL AND INVESTMENT COMMITTEE AMENDMENTS TO TERMS OF REFERENCE**

3.1 The terms of reference of the Commercial and Investment Committee have been re-drafted, in consultation with the Chairman of that Committee, in light of the change of emphasis agreed by Council, and are attached as **Appendix A** to this report.

3.2 The Commercial and Investment Committee considered the terms of reference at its meeting on 30 June 2017, which was held after the meeting of the Constitution and Ethics Committee. Following discussion and an amendment which was not supported, the terms of reference were agreed as set out in Appendix A.

3.3 Article 2 – Articles, Article 4 – The Full Council states the following:

“Adoption or approval of the following plans is by local choice reserved to Full Council, which will take into account the recommendation of the General Purposes Committee:

- Corporate Asset Management Plan
- Enforcement Policy
- Long Term Capital Strategy
- Procurement Strategy
- Single Equality Strategy
- Strategic Asset Development Strategy
- Workforce Strategy”

3.4 The Constitution and Ethics Committee agreed that in relation to the Corporate Asset Management Plan and the Strategy Asset Development Strategy, Full Council should take into account the recommendation of Commercial and Investment Committee rather than of General Purposes Committee.

### **4. LOCAL TRANSPORT PLAN**

4.1 The Cambridgeshire and Peterborough Combined Authority is now responsible for the adoption of, and any amendment or withdrawal to the Transport Plan (Local Transport Plan).

4.2 The Cambridgeshire and Peterborough Combined Authority Order 2017 states that decision on a question relating to the following matters (transport plan) requires a vote in favour at a meeting of the Combined Authority, at which all members of the Combined Authority are present, by a majority of at least two-thirds of all members appointed by the constituent councils to include the members appointed by the councils for the local government areas of Cambridgeshire and Peterborough, or substitute members acting in place of those members, present and voting on that question to be carried—

(a) the transport plan; and

(b) any spending plans or plans for the allocation of transport-related funding.



- 4.3 Reference in the Constitution to approving the Local Transport Plan therefore needs to be removed.

Source Documents	Location
Council's Constitution	<a href="http://tinyurl.com/Constitution-CCC">http://tinyurl.com/Constitution-CCC</a>

**13. COMMERCIAL AND INVESTMENT COMMITTEE****Membership**

Any ten members of Council, subject to political proportionality.

**Summary of Functions**

The Committee has delegated authority to exercise the County Council's functions in respect of the following:

- Creating a commercially focused organisation through the development and implementation of innovative, growth focused, commercial strategy.
- Providing strong leadership which builds a robust commercial culture.
- Encouraging the development of new opportunities through establishing a risk appetite that stimulates the evaluation of new emerging markets and opportunities.
- Oversight and operation of all property-related and traded service functions.

<b>Delegated Authority</b>	<b>Delegation/ Condition</b>
To systematically review all services to ensure that current delivering vehicles remain fit for purpose. All reviews to review markets, partnership opportunities, other delivery vehicles, rationale for in-house delivery.	
To ensure all traded activities operate within a commercial framework.	
To plan, develop and implement, a commercial strategy and other initiatives in order to maximise the potential of the Council's existing commercial activities, to support the development of a commercial culture within the organisation and to ensure commercial opportunities are maximised.	
To lead the development of new, and growth in existing, income streams that generate sufficient surplus for investment in further opportunities and to help offset costs of other activities.	
To lead the development of key relationships for the Council with external organisations to enable the delivery of effective outcomes through new business ventures and collaborations.	
To lead the planning and design for a variety of services where new partnerships and delivery vehicles can be developed to support the delivery of the best possible outcomes.	
To review the Council's asset portfolio to identify opportunities and develop policies to reduce the financial impact on the Council's operating position and strengthen its financial sustainability.	

<b>Delegated Authority</b>	<b>Delegation/ Condition</b>
To recommend to Council and monitor the Council's Asset Strategy.	
To recommend to Council the Council's Asset Management Plan, annually, and as a consequence:  <ul style="list-style-type: none"> <li>- Consider and recommend Asset Plans as they fall due for review</li> <li>- Approve annual budget proposals from applicable Asset Plans</li> <li>- Monitor the delivery of the asset plans throughout the year</li> </ul>	
To consider and evaluate investment proposals.	
To monitor all commercial and property investment proposals included within the Business Plan to ensure successful delivery.	
To consider and approve all asset disposals.	
To approve the granting of variations, renewal, and termination of leases, licenses, dedications, and easements.	
To consider and approve the use of Council owned assets by the local community and other interested parties.	
To consider, evaluate, and agree potential property disposals and investment opportunities.	
To consider business cases for the sale of assets to the Council's Property Special Purpose Vehicle (SPV) for inclusion within the Business Plan.	
To exercise all and any of the council's rights as shareholder of the Property SPV CHIC. The committee may authorise its Chairman/woman and Vice-Chairman/woman to exercise these rights in appropriate circumstances including urgency.	
To work with officers to facilitate/promote the development of proposals for sharing property with partner organisations.	
To consider and recommend property rationalisation proposals for inclusion within the Business Plan.	
To approve property rationalisation proposals that are in accordance with the Business Plan.	
To consider and make recommendations to Council for property rationalisation proposals that are outside of the agreed Business Plan.	

**CONSULTATION ON CHANGES OF GOVERNANCE WITH FIRE**

*To:* County Council

*Date:* 18th July 2017

*From:* Chief Executive

*Purpose:* To respond to the consultation launched by the Police and Crime Commissioner, Jason Ablewhite, on changes to the governance of the fire and rescue service in Cambridgeshire.

*Recommendation:* Full Council is recommended to:

(i) comment on the consultation proposing a change to the governance of the fire and rescue service in Cambridgeshire; and

(ii) delegate the preparation of a full written response to the Chief Executive, in consultation with Group Leaders, by the closing date of 4 September 2017.

<b><i>Officer contact:</i></b>	
Name:	Quentin Baker
Post:	Monitoring Officer
Email:	<a href="mailto:quentin.baker@cambridgeshire.gov.uk">quentin.baker@cambridgeshire.gov.uk</a>
Tel:	01223 727961

## 1. Background

- 1.1 The Policing and Crime Act 2017 introduced measures that place a statutory obligation on all emergency services to collaborate and enable Police and Crime Commissioners to take on responsibilities for fire and rescue services in their area.
- 1.2 The Cambridgeshire Police and Crime Commissioner (PCC), Jason Ablewhite, is proposing that he becomes the Police, Fire and Crime Commissioner and has overall responsibility for the governance of both Cambridgeshire Fire and Rescue Service and Cambridgeshire Constabulary.
- 1.3 Before the PCC can submit this proposal to the Secretary of State, he must consult each relevant local authority about the proposal.
- 1.4 The PCC has launched a consultation to seek views on him having greater responsibility for Cambridgeshire Fire and Rescue Service.
- 1.5 A Local Business Case (LBC) assessing police and fire collaboration governance options in Cambridgeshire has been prepared by independent consultants, who were commissioned by a joint Fire Authority and Office of the Police and Crime Commissioner Working Group. The development of the LBC was part funded by a grant from the Home Office. The two page briefing is attached at **Appendix 1** and the Executive Summary at **Appendix 2**. The full LBC is available at the following link:  
  
<http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/>
- 1.6 Available at the same link is a short online survey, which Councillors and their constituents are encouraged to complete.
- 1.7 The PCC has been invited to brief all Members on his proposals on Friday, 14 July 2017 at Shire Hall.

Source Documents	Location
Consultation Document	<a href="http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/">http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/</a>
Policing and Crime Act 2017	<a href="http://www.legislation.gov.uk/ukpga/2017/3/schedule/1/paragraph/13/enacted">http://www.legislation.gov.uk/ukpga/2017/3/schedule/1/paragraph/13/enacted</a>

# Consultation on changes to the governance of the Fire and Rescue Service

- We want your views about changing the governance of the fire and rescue service in Cambridgeshire.
- This follows a government legislation to promote greater joint working between emergency service organisations.
- The proposal is that the Police and Crime Commissioner becomes the Police, Fire and Crime Commissioner and has overall responsibility for the governance of both Cambridgeshire Fire and Rescue Service and Cambridgeshire Constabulary.

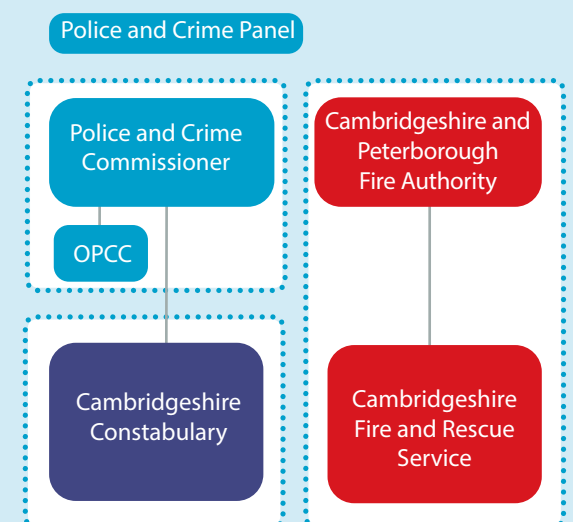
This document summarises the options and the reasons for recommending the chosen option.

## WHAT DO WE HAVE NOW?

**In Cambridgeshire and Peterborough, Police and Fire services are currently governed differently.**

**Police** - The Police and Crime Commissioner (PCC) provides strategic leadership of Cambridgeshire Constabulary. The PCC is elected by the public every four years and is supported by a team of 14 staff in the Office of the Police and Crime Commissioner. Cambridgeshire Constabulary has the operational responsibility for policing of Cambridgeshire.

**Fire** - The Cambridgeshire and Peterborough Fire Authority (CPFA) oversees the service delivery of the fire and rescue service and employs fire staff. The CPFA is made up of 17 elected members, from Cambridgeshire County Council and Peterborough City Council, and usually meets five times a year as a full authority with smaller committees held throughout the year. Members are appointed by the councils after each local election.



## SUMMARY OF THE OPTIONS CONSIDERED

A Local Business Case (LBC) assessing police and fire collaboration governance options in Cambridgeshire has been prepared by independent consultants, who were commissioned jointly by the Fire Authority and the Office of the Police and Crime Commissioner.

Four different options were considered: **1** No change option, **2** Representation option, **3** Governance option, **4** Single employer option, and ranked as set out below. The business case recommends that the governance option offers the greatest benefits.

Model	Description	Assessment	Rank
<b>Governance Model</b>	PCC takes over the role of the CPFA and becomes the Police, Fire and Crime Commissioner. The PFCC would be the employer for the Fire and Rescue Service, but not Cambridgeshire Constabulary	<ul style="list-style-type: none"> <li>• Savings through simpler governance processes</li> <li>• Savings through accelerating the better use of the fire and police estates</li> <li>• Closer and quicker joint working between fire and police, and their local partners improving public safety</li> <li>• Increased accountability through a directly elected Police, Fire and Crime Commissioner</li> <li>• Operational independence of police and fire is maintained</li> <li>• Requires change in governance arrangements. Transfer of staff, assets, contracts and liabilities assumed to be relatively straightforward to deliver</li> </ul>	1
<b>Single Employer Model</b>	PCC takes over the role of the CPFA and becomes the Police, Fire and Crime Commissioner and appoints a single chief officer and employer for both police and fire personnel	<ul style="list-style-type: none"> <li>• Savings through simpler governance processes</li> <li>• Savings through accelerating the better use of the fire and police estates</li> <li>• Closer and quicker joint working between fire and police, and their local partners improving public safety</li> <li>• Increased accountability through a directly elected Police, Fire and Crime Commissioner</li> <li>• Substantial staffing changes and so challenging and time-consuming to deliver</li> </ul>	2
<b>Representation Model</b>	PCC sits on the local fire authority with full voting rights	<ul style="list-style-type: none"> <li>• Neither detrimental impact or strong likelihood of improved public safety</li> <li>• Minor scrutiny benefits</li> <li>• Limited economy and efficiency as costs for governance may increase slightly</li> <li>• Likelihood of estates consolidation only marginally increases</li> </ul>	3
<b>No change</b>	There are separate governance structures for police and fire and rescue services.	<ul style="list-style-type: none"> <li>• Neither detrimental impact or strong likelihood of improving public safety</li> <li>• Limited economy and efficiency as governance costs continue</li> <li>• Likelihood of estate consolidation not affected</li> <li>• No delivery impact as no change</li> </ul>	4

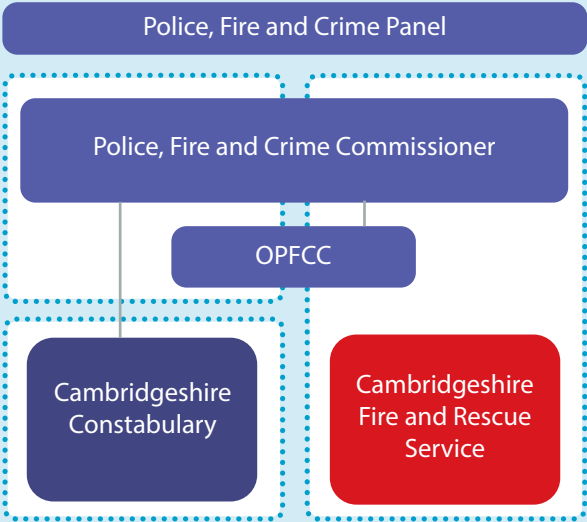
# RECOMMENDATION

The business case recommends that the Governance option offers the greatest benefits.

The proposal is that the Police and Crime Commissioner becomes the Police, Fire and Crime Commissioner (PFCC) and has overall responsibility for the governance of both Cambridgeshire Fire and Rescue Service and Cambridgeshire Constabulary.

# WHAT WOULD CHANGE?

- Operational responsibility for fire and police would remain with the Chief Fire Officer and the Chief Constable.
- The PFCC would continue to be responsible for setting policing priorities through the Police and Crime Plan, and have responsibility for controlling police assets.
- The PFCC would become the holder of fire assets and contracts, as for the police.
- The PFCC would become the employer of all fire and rescue staff (the Chief Constable of Cambridgeshire Constabulary would continue to employ police officers and staff).
- The PFCC will be responsible for such things as decisions on how the Fire and Rescue Service spend their budget and whether new fire service facilities should be built or shared with other emergency services.



# WHY IS THIS THE PREFERRED OPTION?

The Governance model was assessed as the best option as it would enable:

- 1. Savings through simpler governance processes**  
It is estimated that will be £1.69 million savings over 10 years through savings in Fire Authority members allowances and the sharing of the Chief Financial Officer post

**2. Savings through better use of the fire and police estates**  
Better use of police and fire estates will initially require investment but is expected to provide financial benefits of £4.34 million over 10 years.

**3. Closer and quicker joint working between fire and police, and their local partners improving public safety**  
Having a single decision making person, the PFCC, helps speed up decision making and helps ensure that strategies and decisions are joined up across organisations therefore improving public safety.
- 4. Increased accountability through a directly elected Police, Fire and Crime Commissioner**  
You would vote for a Police, Fire and Crime Commissioner every four years as you do for a PCC.

**5. Operational independence of police and fire is maintained**  
The operational responsibility for the Fire and Rescue Service will sit with the Chief Fire Officer and with the Chief Constable for Police.

For the residents of Cambridgeshire and Peterborough this means they will continue to be provided with an efficient and effective public service which delivers value for money. Residents will also be consulted on both the police and fire funding elements of the council tax (known as the precept), so that they can hold the PFCC to account for how their money is spent.

# What is governance?

Governance is the process for making and implementing decisions.

Good governance allows people to follow and understand the decision making process; is answerable for decisions; and uses a process that makes the best use of the available people, resources and time to ensure the best possible results for the community.

# TELL US WHAT YOU THINK?

To share your views, please complete a short online survey at [www.cambridgeshire-pcc.gov.uk/fire](http://www.cambridgeshire-pcc.gov.uk/fire) On the website you will find the full business case along with some additional materials that summarise and explain the options considered.

Or write to us at: **Office of Police and Crime Commissioner, PO Box 688, Huntingdon, Cambridgeshire, PE29 9LA**  
Or email us at: [Cambs-pcc@cambs.pnn.police.uk](mailto:Cambs-pcc@cambs.pnn.police.uk)



## **OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE**

Local business case for fire and rescue governance  
options to improve the effectiveness of emergency  
services delivery in Cambridgeshire

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### **Executive Summary**





# INTRODUCTION AND EXECUTIVE SUMMARY

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The Policing and Crime Act 2017 introduced measures that place a statutory obligation on all emergency services to collaborate and enable Police and Crime Commissioners (PCCs) to take on responsibilities for fire and rescue services in their area<sup>1</sup>. In describing the measures, Brandon Lewis, the Police and Fire Minister said that “by overseeing both police and fire services, I am clear that PCCs can drive the pace of reform, maximise the benefits of collaboration and ensure best practice is shared.”<sup>2</sup>

This is the Local Business Case (LBC) assessing police and fire collaboration governance options in Cambridgeshire, prepared by independent consultants, who were commissioned by a joint Fire Authority and Office of the Police and Crime Commissioner Working Group. The development of the LBC was part funded by a grant from the Home Office.

## 1.1 Introduction

### 1.1.1 Status of this document

This document has been prepared for the Office of the Police and Crime Commissioner by independent external advisers, based on information provided by Cambridgeshire Constabulary (CC), Cambridgeshire and Peterborough Fire Authority (CPFA), Cambridgeshire Fire and Rescue Service (CFRS) and information in the public domain. The appointment of the independent external advisers, PA Consulting, was a joint appointment by the OPCC and the Cambridgeshire Fire and Rescue Authority, after an open tendering process.

Representatives from the following organisations have been engaged with during the development of the LBC:

- Cambridgeshire Constabulary
- Cambridgeshire and Peterborough Fire Authority
- Cambridgeshire Fire and Rescue Service
- Cambridgeshire County Council
- Peterborough City Council
- East of England Ambulance Service NHS Trust
- UNISON (CFRS)
- Retained Firefighters’ Union
- Fire Brigades Union
- The Police Federation

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<sup>1</sup> HM Parliament, [Policing and Crime Act 2017](#)

<sup>2</sup> Brandon Lewis (2017), [Fire Minister’s speech to Reform](#)

### 1.1.2 New governance models

To facilitate better collaboration and improve emergency services, the Policing and Crime Act 2017 proposes three alternative options to the status quo (the 'no change' option) that are now available to PCCs. These are:

#### 1. Representation model

The PCC is represented on a Fire Authority (or its committees) in their police area with full voting rights, subject to the consent of the Fire Authority. In Cambridgeshire, that would see the PCC join CPFA.

#### 2. Governance model

The PCC takes on legal and overarching responsibility for the provision of the fire and rescue service(s) in their area. Individual services retain their operational independence, their chief fire officers and their own staff. In Cambridgeshire, this would see the PCC becoming the CPFA.

#### 3. Single employer model

The PCC would become the CPFA but, in addition, fire and rescue functions are delegated to a single chief officer for policing and fire. Within this model, the services remain distinct front line services, albeit supported by increasingly integrated support services.

This LBC, therefore, assesses the strategic, operational and financial benefits that closer collaboration could deliver between the police and the fire and rescue service. It also assesses the current provision of fire and rescue and policing services and governance in Cambridgeshire.

It then considers the governance options available under the Policing and Crime Act 2017 and assesses whether one of these options could support the improvement of emergency services and public safety in Cambridgeshire. It also considers whether the potential benefits are sufficient to warrant such a change, given the cost of change.

### 1.1.3 Methodology to assessing options

This LBC uses the HM Treasury five case model for business cases. This approved methodology underpins all major government business decisions and will help to ensure that key, relevant criteria and options are considered. It also permits criteria such as ease and speed of implementation and existing collaborative arrangements to be considered and factored in to the option appraisal and consultation process.

The five cases are:

- **Strategic Case** – sets out the legislative and strategic context for Cambridgeshire Constabulary (CC) and Cambridgeshire Fire and Rescue Service (CFRS) collaboration and governance, summarise the case for change and set out the opportunities, constraints, dependencies and strategic risks. This provides the context, and critical success factors, for appraising the options. The Strategic Case does not recommend a particular option.
- **Economic Case** – appraises the governance options (including the 'no change' option), against the critical success factors that will help the PCC to decide and the Office of Police and Crime Commissioner (OPCC) to inform the Home Secretary's appraisal of a proposal if and when submitted. The Economic Case considers overall public value and identifies the 'preferred option'

The implications of implementing the preferred option is then be set out in the remaining three cases:

- **Commercial Case** – sets out the commercial, HR and resourcing implications of the preferred option.
- **Financial Case** – sets out the affordability and accounting implications of the preferred option. The Financial Case reflects the benefits and costs to the organisations.
- **Management Case** – outlines how the option can be delivered, including more detailed planning, consultation requirements and communications approach.

### 1.1.4 Recommendation

The recommendation of the Local Business Case is for a Police, Fire and Crime Commissioner to take on the responsibility for the Fire and Rescue Authority by way of adopting the governance model as described in 1.1.2 above.

How has this conclusion been reached? Table 8 on page 25 of the business case sets out a list of seven critical success factors against which all the options are measured and the category of improvement that will be brought about (Public Safety, Effectiveness, Economy/Efficiency, and Transparency /Accountability). Each of the four options have then been measured against these and a scoring given. Table 1 below shows the summary of this scoring, with a higher score being better, and as can be seen the Governance option is the highest score and therefore ranked first.

**Table 1: Qualitative evaluation against the four tests**

	<b>'No change'</b>	<b>Representation</b>	<b>Governance</b>	<b>Single employer</b>
Total score	9	10	<b>12</b>	11
Overall rank	4	3	<b>1</b>	2

The key factors that have caused this high ranking are:

- Savings through improved efficiencies in governance processes – there will be revenue savings over a ten year period of £1.770m as a result in savings in Fire Board members' allowances and the sharing the Chief Financial Officer post between the OPCC and Fire and Rescue Service.
- Savings through better use of fire and police estates – after initial investment of £1.3m, tranche 1 of the estates consolidation will release an estimated £2.744m of capital receipts and tranche 2 £2.738m.
- Closer and quicker joint working between fire and police and their local partners – Through a single decision making person, in the form of the Commissioner, the speed of decision making will improve along side ensure that decisions are joined up and the impact on public safety for both police and fire is fully taken into account.
- A system of a directly elected Police, Fire and Crime Commissioner – As is currently the position for the Police, the public of Cambridgeshire will have a single, democratically elected person who is accountable to them for the Fire Service.
- Maintain operational independence of police and fire – Operational responsibility for the Fire and Rescue Service will clearly sit with the Chief Fire Officer, as is the case for the Police and the Chief Constable.

All Fire and Rescue Service staff will transfer from the employment of the Fire and Rescue Service to the Police, Fire and Crime Commissioner, with the transfer being governed by the Cabinet Office Statement of Practice (COSoP), protecting the terms and conditions of staff. With regard to this LBC the only posts directly impacted are the Deputy Police and Crime Commissioner, the Deputy Chief Executive of the Fire Service and the Chief Finance Officer and Deputy Chief Executive of the OPCC. The changes in these positions will be subject to consultation.

## 1.2 Executive summary of the local business case

The remainder of this executive summary sets out the findings of the five cases for evaluating the options that led to the recommendation.

### 1.2.1 Strategic Case: the context and case for change

The foundations for the case for change in Cambridgeshire are built on improving efficiency, economy and effectiveness and at its core, the case for change:

### **Facilitates the optimal utilisation of capital assets**

A change of governance could ensure the best use of police and fire assets through a single approach to investment decisions and estates consolidation. Optimisation of estate is perhaps the area of greatest opportunity for financial benefits from collaboration between the two organisations.

The realisation of these benefits does not solely depend upon a change in governance, however, simplified more joined up governance would increase the likelihood of success of the estates consolidation programme and avoid decisions being taken by a single service that may not provide overall best value for money.

### **Accelerates pace and effectiveness of police and fire collaboration**

The emergency services in Cambridgeshire are some of the UK's most forward-looking when it comes to regional single service collaboration, and there is now a growing focus on place-based inter-service collaboration. Since its inception in August 2016, the Strategic Interoperability Board had identified and prioritised a number of police and fire collaboration initiatives, but progress to date has been slow and formal benefits realisation measures lacking.

Collaboration between fire and police is considered to work well at the operational level, but there are opportunities, through shared governance, to accelerate collaboration initiatives and introduce formal mechanisms that will ensure benefits are realised.

Stronger shared governance at the strategic and political level would also enable the alignment of strategic objectives across police and fire which would place greater focus and accountability for collective community safety rather than individual service outcomes.

### **Enables a more innovative and effective approach to public service transformation**

The new Cambridgeshire and Peterborough Combined Authority will lead the next steps in transforming local public services in the county. There is therefore an opportunity, through stronger joined up police and fire strategic leadership, to develop innovative integrated community safety intervention work to manage demand upstream and maximise public value.

Since their introduction in 2012, PCCs have already demonstrated an ability to act as a catalyst for change and drive innovation. More integrated governance between fire and police could therefore drive a more effective approach to public service transformation and provide a louder, more concentrated voice of advocacy for both services, when forming agreements with other public sector partners.

### **Brings benefits in terms of transparency and accountability**

Police Authorities were abolished, in part, due to their lack of visibility and evidence suggests that the introduction of elected PCCs has increased transparency and public accountability whilst providing clarity of leadership in policing. A number of independent national reviews of current fire and rescue governance, have also highlighted inefficiencies with the current committee governance model and the inadequate provision of effective independent technical scrutiny by fire authorities.

Evidence suggests that single, streamlined governance can accelerate reform and improve public visibility, accountability, transparency and effective scrutiny. There is therefore an argument that removing the current committee structure of the CPFA would bring benefits in terms of the transparency and accountability of fire governance in Cambridgeshire.

## **1.2.2 Economic Case: the options assessment**

Despite being one of the lowest funded police and fire services in the country Cambridgeshire must identify saving of over £15m from these services over the coming years (see section **Error! Reference source not found.**). The business case sets out how a change in governance can release additional savings and increase operational resilience.

A summary of the economic appraisal for each option is shown below in Table 2.

**Table 2: Summary economic appraisals**

	<b>'No change'</b>	<b>Representation</b>	<b>Governance</b>	<b>Single employer</b>
Savings - NPV (£m)	1.04	1.39	<b>4.66</b>	4.39
Payback year	0	0	<b>2</b>	3

The savings in the above table represent estimated savings generated over a ten year period to 2026/27 and are expressed as a net present value, which represents future year's costs at today's prices.

Based on the economic appraisal numbers above alongside the assessment of the options against the critical success factors and the four tests of public safety, effectiveness, economy and efficiency, as summarised in Table 1, the preferred option to take forward for further evaluation is the governance model.

### **1.2.3 Commercial Case**

The main commercial implications from adopting the governance model are relatively straightforward and focus on the transfer of contracts, assets and liabilities from the old FRA to the new FRA, led by the PCC. This transfer will take place through a statutory transfer scheme. It will also require the Secretary of State, using powers in the Policing and Crime Act, to make the PCC the FRA for Cambridgeshire.

### **1.2.4 Financial Case**

The cost of implementing the governance model is affordable within current budgets. We estimate that the direct costs of implementation will be £80k. We expect these costs will be funded from the PCC's earmarked reserve. We forecast a small annual saving in operational costs as a direct result of a change to the governance model of £182k, and a total saving of £1.690m over the ten year period.

Short term funding of £1.1m would be required in 2018/19 to enable the estate consolidation programme to proceed.

### **1.2.5 Management Case**

The Management Case describes the arrangements and plan for managing implementation of the proposed governance model successfully. The LBC assumes that the changes will take effect on 1 April 2018, but this is dependent upon a range of activities being achieved before then. If there is delay, the next likely date of transfer would be 1 October 2018.

The implementation of the governance changes will be led by the PCC, with support from the OPCC. Where required the OPCC will commission specialist professional advice and support in areas such as programme management, HR, estates and legal services.

Formal public consultation will take place in July and August 2017. If then agreed by relevant parties, following formal consultation, it will be used as the basis for the LBC submission to the Home Secretary for endorsement of the preferred option.

## **1.3 Conclusion**

Enhanced, transparent and effective governance under an elected Police, Fire and Crime Commissioner will be the catalyst for delivering significant and tangible benefits for the people of Cambridgeshire. The changes will improve public safety through a more joined-up and integrated approach to community safety and broader public service delivery across the county. The new governance model will set a clear strategic direction and accelerate collaboration, allowing for financial gains through the consolidation of assets such as estates. It will provide a secure platform for public service reform in Cambridgeshire.

**APPOINTMENT OF THE CHAIRMAN/WOMAN AND VICE-CHAIRMAN/WOMAN OF HEALTH COMMITTEE, AND THE CHAIRMAN/WOMAN OF THE HEALTH AND WELLBEING BOARD**

<b>COMMITTEE</b>	<b>CHAIRMAN/WOMAN</b>	<b>VICE-CHAIRMAN/WOMAN</b>
Health	Councillor Peter Hudson	Councillor Chris Boden

**APPOINTMENT OF THE CHAIRMAN/WOMAN TO THE FOLLOWING:**

	<b>CHAIRMAN/WOMAN</b>
Health and Wellbeing Board	

# **CAMBRIDGESHIRE COUNTY COUNCIL** **APPOINTMENTS TO OUTSIDE BODIES: COUNTY COUNCIL APPOINTMENTS**

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
<b>Cambridgeshire and Peterborough Combined Authority – Overview and Scrutiny Committee</b>	11	2	<b>Councillor Jan French (replaces Councillor Peter Hudson)</b> Councillor Lucy Nethsingha  Substitutes: Councillor Lynda Harford Councillor David Jenkins	Anne Gardiner Peterborough City Council Town Hall, Bridge Street Peterborough PE1 1HQ



## **Agenda Item No.14**



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

### **Cambridgeshire & Peterborough Combined Authority**

#### **Reports from Constituent Council Representatives on the Combined Authority**

##### **Member representatives**

<b>Meeting</b>	<b>Dates of Meeting</b>	<b>Representative</b>
<b>Combined Authority Board</b>	<b>31 May 2017 28 June 2017</b>	<b>Councillor Count Councillor Hickford (subbing for Councillor Count)</b>
<b>Overview and Scrutiny Committee</b>	<b>26 June 2017</b>	<b>Councillor Hudson Councillor Nethsingha</b>
<b>Audit and Governance Committee</b>	<b>26 June 2017</b>	<b>Councillor Harrison</b>

The above meetings have taken place in May and June.

##### **Board meeting – Wednesday 31 May 2017**

The Board held its annual meeting on 31 May. The decision notice is attached at **Appendix 1**.

##### **Audit and Governance Committee- Monday, 26 June 2017**

The first meeting of the Audit and Governance Committee meeting was held on 26 June. The first part of the meeting was an induction session to explain the work of the committee. The second part of the meeting dealt with the decisions required of the Committee. A summary of decisions is attached at **Appendix 2**.

##### **Overview and Scrutiny Committee – Monday 26 June 2017**

The first meeting of the Overview and Scrutiny Committee was held on 26 June. The Committee had met in shadow form to discuss how it would like to work. It agreed that its first few meetings would invite the Mayor and Portfolio Holders to discuss their portfolios and priorities in order to create the focus of its work plan. At this first meeting, Mayor James Palmer discussed his 100 day plan and priorities.

The Committee also agreed that it should meet two days before the Board meeting so that it had an overview of the work of the Board and could make recommendations to the Board.

A summary of the committee's decisions is attached at **Appendix 3**.

##### **Board meeting – Wednesday 28 June 2017**

This was the first business meeting of the Board after its annual meeting. The decision summary is attached. (**Appendix 4**)

Source Documents	Location
The agendas and minutes of the meetings are on the Combined Authority website	<a href="http://cambridgeshirepeterborough-ca.gov.uk/meetings/cambridgeshire-and-peterborough-combined-authority-28th-june-2017/?date=2017-06-28">http://cambridgeshirepeterborough-ca.gov.uk/meetings/cambridgeshire-and-peterborough-combined-authority-28th-june-2017/?date=2017-06-28</a>  <a href="http://cambridgeshirepeterborough-ca.gov.uk/about-us/committees/audit-and-governance-committee/">http://cambridgeshirepeterborough-ca.gov.uk/about-us/committees/audit-and-governance-committee/</a>  <a href="http://cambridgeshirepeterborough-ca.gov.uk/about-us/committees/overview-and-scrutiny-committee/">http://cambridgeshirepeterborough-ca.gov.uk/about-us/committees/overview-and-scrutiny-committee/</a>



**CAMBRIDGESHIRE  
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COMBINED AUTHORITY

## CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY BOARD

Meeting: 31st May 2017

<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/699/Committee/42/Default.aspx>  
[X](#)

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
	<b>Part 1 – Business Items</b>	
1.1	<b>The Mayor – Declaration of Acceptance of Office</b>	James Palmer signed the statutory declaration of acceptance of office. By virtue of this office is the Chair of the Board
1.2	<b>Membership of the Combined Authority</b>	<p>The Board:</p> <ul style="list-style-type: none"> <li>(a) noted the Members and substitute Members appointed by Constituent Councils to the Combined Authority for the municipal year 2017/2018; and</li> <li>(b) confirm the appointment of the Member and substitute Member nominated by the Greater Cambridge/Greater Peterborough Enterprise Partnership (GCGP LEP) to the Combined Authority for the municipal year 2017/2018.</li> </ul> <p>The Membership of the Board is on the Combined Authority Website.  <a href="http://cambridgeshirepeterborough-ca.gov.uk/leaders/">http://cambridgeshirepeterborough-ca.gov.uk/leaders/</a>, together with their portfolio responsibilities. Details of the substitutes can be found in appendix A of the supporting information circulated after publication of the agenda.  <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/To-Follow-Information.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/To-Follow-Information.pdf</a></p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.3	<b>Deputy Mayors of the Combined Authority</b>	The Mayor appointed Councillor Holdich, as the Constitutional Deputy Mayor, and Councillor Howe, as the Statutory Deputy Mayor of the Combined Authority.
1.4	<b>Apologies and Declarations of Interest</b>	Apologies received from Mark Reeve (GCGP LEP), and Jason Ablewhite and Jess Bawden (observers). There were no declarations of interest.
1.5	<b>Minutes – 26 April 2017</b>	The minutes of the meeting of 26th April 2017 were approved as a correct record. These are on the main agenda – page 6-31.
1.6	<b>Appointment of Co-opted Member Organisations</b>	<p>The Board is able to co-opt partners onto the Board. The Combined Authority may invite organisations with direct responsibility for functions relevant to the Combined Authority objectives to become Co-opted Members to attend the Combined Authority Board and may take part in the debate. They do not have voting rights. Their role is set out in the constitution (page 9).  <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf</a></p> <p>The Board</p> <p>(a) agreed that the following bodies be given co-opted member status for the municipal year 2017/18:</p> <p style="padding-left: 40px;">(i) The Police and Crime Commissioner for Cambridgeshire;  (ii) Cambridgeshire and Peterborough Fire Authority representative;  (iii) Clinical Commissioning Group representative.</p> <p>(b) note the named representative and substitute representative for each organisation as set out in the report.</p>
1.7	<b>Petitions</b>	None received.
1.8	<b>Public Questions</b>	None received.
1.9	<b>Forward Plan</b>	<p>The Board approved the Forward Plan of Executive Decisions dated 26 May 2017. – p3-14 of the supporting information  <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/To-Follow-Information.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/To-Follow-Information.pdf</a></p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
2.1	<b>Portfolios - Approval</b>	<p>It is the Board's responsibility to agree portfolio responsibilities and for the Mayor to allocate them to each member of the seven constituent councils.</p> <p>The Board :</p> <ul style="list-style-type: none"> <li>(a) agreed the portfolio responsibilities for Board Members and note that the Mayor would be responsible for governance;</li> <li>(b) noted the Mayor's allocation of portfolio responsibilities to each Member of the seven Constituent Councils as set out in Appendix 1; (See page 17 of the main agenda and 1.2 above)</li> </ul> <p>The Board had previously agreed to set up two working groups: the investment working group and delivery working group. The terms of reference are included on Appendix 2 page 158 of the constitution. <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf</a>. The Board agree the revised membership of the Investment Working Group and the Delivery Working Group to take account of the amended portfolio responsibilities.</p>
2.2	<b>Appointment of the Overview and Scrutiny Committee</b>	<p>At its annual meeting, the Board appoints to its committee. By law, it must have a politically balanced O&amp;S Committee. The Board agreed to:</p> <ul style="list-style-type: none"> <li>(a) note the political balance on constituent councils following the local elections;</li> <li>(b) confirm that the size of the Overview and Scrutiny Committee should be 14 members; two members from each Constituent Councils and two substituent members for the municipal year 2017/2018;</li> <li>(c) agree the political balance on the committee as set out in Appendix 1;</li> <li>(d) confirm the appointment of the Member and substitute Member nominated by Constituent Councils to the Overview and Scrutiny Committee for the municipal year 2017/2018 as set out in Appendix 2.</li> </ul> <p>The membership is on the Combined Authority website <a href="http://cambridgeshirepeterborough-ca.gov.uk/about-us/committees/overview-and-scrutiny-committee/">http://cambridgeshirepeterborough-ca.gov.uk/about-us/committees/overview-and-scrutiny-committee/</a> and a full list including substitutes is in the supporting information p15 <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/To-Follow-Information.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/To-Follow-Information.pdf</a></p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
2.3	<b>Appointment of Audit and Governance Committee</b>	<p>At its annual meeting, the Board appoints to its committee. By law, it must have a politically balanced Audit and Governance Committee, and must include an independent person. The Board agreed to:</p> <ul style="list-style-type: none"> <li>(a) confirm that the size of the Audit and Governance Committee should be 8 members; one member and one substitute from each Constituent Council and one independent person for the municipal year 2017/2018;</li> <li>(b) agree the political balance on the committee as set out in Appendix 1;</li> <li>(c) confirm the appointment of the Member and substitute Member nominated by Constituent Councils to the Committee for the municipal year 2017/2018 as set out in Appendix 2;</li> <li>(d) appoint Mr Alan John Pye as the independent person of the Audit and Governance Committee for a term of four years ending May 2021; and</li> <li>(e) appoint Mr Alan John Pye as Chair, and ask the Committee to elect a Vice Chair, of the Audit and Governance Committee for the municipal year 2017/2018.</li> </ul> <p>The membership is on the Combined Authority website <a href="http://cambridgeshirepeterborough-ca.gov.uk/about-us/committees/audit-and-governance-committee/">http://cambridgeshirepeterborough-ca.gov.uk/about-us/committees/audit-and-governance-committee/</a> and a full list including substitutes is in the supporting information p16 <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/To-Follow-Information.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/To-Follow-Information.pdf</a></p>
2.5	<b>Chief Executive Recruitment Update</b>	The Board received a report on the progress towards the recruitment of a permanent Chief Executive and propose questions for inclusion in the assessment centre interviews.
2.6	<b>Calendar of Meetings 2017/18</b>	It was resolved to approve the revised Calendar of Meetings for 2017 / 2018 (Appendix 1). <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Item-2.4-Appendix-1-Draft-Meeting-Schedule-Revised.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Item-2.4-Appendix-1-Draft-Meeting-Schedule-Revised.pdf</a>
3.1	<b>Date of Next Meeting</b>	It was resolved to note the date of the next meeting – Wednesday, 28 June 2017 at 10.00am at East Cambridgeshire District Council Offices.



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

## **AUDIT & GOVERNANCE COMMITTEE - Decision Summary**

**Meeting:** 26<sup>th</sup> June 2017

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Audit-and-Governance-Committee/Audit-Governance-Agenda-June.pdf>

Chair: John Pye (Chair and Independent Person)

Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	<b>Apologies And Declarations Of Interests</b>	Apologies were received from Councillors Chris Morris (East Cambridgeshire District Council), Chris Seaton (Fenland District Council), David Seaton (Peterborough City Council) and Mark Ashton (Cambridge City Council).
2.	<b>Appointment Of Vice-Chair</b>	<p>The appointment of Chair and Vice Chair is reserved to the Board. At the annual meeting on 31 May the Board agreed to appoint Mr John Pye, the independent person as Chair. It also requested the committee to appoint its own Vice-Chair.</p> <p>The Committee therefore elected Councillor Barry Chapman as Vice Chair for the municipal year 2017/18.</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
3.	<b>Terms Of Reference</b>	<p>As this was the first meeting of the Audit and Governance Committee, its terms of reference was included on the agenda so that it may discuss them and ask any questions about them. The terms of reference were agreed by the Board in April as part of the constitution.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) noted the Terms of Reference, subject an update on the process for appointing the external and internal auditors.</li> <li>b) agreed to review the Terms of Reference in twelve months time.</li> </ul> <p>The terms of reference are included on page 3 of the agenda</p>
4	<b>Internal Audit Plan – Overview and Future Plans</b>	<p>Internal Audit look to provide assurance to the Audit and Governance Committee that activities undertaken across the Combined Authority are appropriately managed, monitored and delivered in accordance with set governance, controls and risk management frameworks. This report sets out how Internal Audit will look to support the Committee and set out an early draft of the plan.</p> <p>The plan covers a wide range of areas and not all areas will be covered in the same year. Appropriate coverage will be established each year so as to be able to provide assurance to the Board. The plan covers:</p> <ul style="list-style-type: none"> <li>- <b>Core financial systems</b> eg general ledger, creditors, debtors, payroll, treasury management</li> <li>- <b>Safeguarding Assets</b> eg data security and protection, data housing</li> <li>- <b>Corporate Governance</b>, governance, risk management, health and safety, business contingency, disaster recovery and Code of Corporate Governance</li> <li>- <b>Countering Fraud, Bribery and Corruption</b>, eg fraud investigations, proactive anti fraud exercise</li> </ul>



Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>See Appendix 2 on page 28 of the agenda for more details</p> <p>The Committee:</p> <ul style="list-style-type: none"> <li>- noted the development of the internal audit plan for 2017/18.</li> <li>- requested the Chief Internal Officer produce a briefing paper on Governance to the September Committee meeting.</li> </ul>
5	<b>Work Programme</b>	<p>The Committee considered suggested draft programme of work for matters to be considered by the Committee during the course of the year ahead. The work programme will need to be flexible enough to react to new and changing priorities. The draft programme is set out on page 32 of the agenda</p> <p>The Board agreed the Work Programme subject to the following additions: .</p> <ul style="list-style-type: none"> <li>(i) an Internal Audit ‘Governance Briefing’ item included onto the September agenda from the Chief Internal Auditor.</li> <li>(ii) a ‘Risk Management’ training slot be included at the beginning of the September meeting by the Monitoring Officer??.</li> <li>(iii) 2017/18 External Audit plan be reported to the December meeting.</li> <li>(iv) the inclusion of a 10 minute ‘hot topic’ slot at each meeting, starting with December 2017.</li> </ul>
6	<b>Statement of Accounts</b>	<p>The Combined Authority is required to prepare a Statement of Accounts each financial year, and it must be prepared in accordance with statutory timelines and accounting practices. Legislation requires the Authority to consider and approve its Accounts. You will note that for 2016/17 that the accounts are for a four week period from the time the Combined Authority was formally established until 31 March 2017.</p> <p>The Authority’s Constitution delegates this matter to the Audit and Governance Committee. The Accounts must be signed and certified by 30 June 2017 by the Authority’s</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>Interim Chief Finance Officer (CFO), in accordance with the Accounts and Audit Regulations 2015. The Authority's CFO has responsibility for certifying that the Accounts present fairly, the financial position of the Authority at 31 March 2017. The Audit and Governance Committee is required to approve the Accounts no later than 30 September 2017 following, and in the knowledge of, the audit findings.</p> <p>The Committee noted the draft Statement of Accounts for the period 3 March 2017 to 31 March 2017. The draft statement is set out on page 39-91 of the agenda. NEXT STEPS</p> <ul style="list-style-type: none"> <li>• the responsible financial officer must certify the presentation of the accounts no later than the 30 June 2017;</li> <li>• the annual accounts must be published with the audit opinion and certificate, and before that must have been approved by members no later than 30 September 2017; and</li> <li>• the responsible financial officer must re-certify the presentation of the annual accounts before member approval is given.</li> </ul> <p>The Accounts and Audit Regulations 2015 also require all Councils/CAs to have a common 30 day public inspection period which includes the first 10 working days in July. The period of public inspection runs concurrently with the period whereby a local government elector may raise questions or objections to the External Auditor.</p> <p>At the conclusion of the Audit, the Auditor will issue a report on the Financial Statements and will issue the Audit Certificate for 2016/17. This will be considered at the Audit Committee meeting on 21 September 2017.</p>
7	<b>External Audit Plan 2016/17</b>	<p>The Committee to discussed the Audit Plan for the audit of the 2016/17 Statement of Accounts with Ernst &amp; Young LLP, the Authority's External Auditor. As with the internal audit plan, this covers a short period ending 31 March 2017. The Audit Plan sets out how they intend to carry out their responsibilities in their first year as auditor for CPCA. The</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>Audit Plan is shown at Appendix 1 p95-107 of the agenda.</p> <p>The plan recognises the unusual circumstances of preparing financial statements for a four week period and the need to undertake a full external audit, including a value for money conclusion. The plan summarises Ernst &amp; Young'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.</p> <p>The Committee agreed the Audit Plan as at 31 March 2017.</p> <p>There will be a further report to its next meeting in September.</p>
8	<b>Date of Next Meeting</b>	Thursday, 21 September 2017 at 10.00am at Cambridge City Council offices, Cambridge.



## Overview and Scrutiny Committee- Decision Summary

**Meeting:** 26<sup>th</sup> June 2017

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Overview-and-Scrutiny-Committee/OS-Committee-June-Agenda.pdf>

Chair: Cllr John Batchelor

Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	<b>Minutes of the meeting held on Tuesday 11th April 2017</b>	Apologies were received from Cllr Mark Buckton, substituted by Cllr David Mason.
2.	<b>Declaration of Interests</b>	There were no declarations of interest.
3.	<b>Appointment of Chair &amp; Vice Chair</b>	The constitution allows for the Committee to appoint its Chair and Vice Chair. By law, the Chair cannot be from the same political party as the Mayor, and therefore the Vice Chair should not be from the same party.

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>The Committee appointed</p> <p>(a) Cllr Batchelor as Chair of the Committee for the municipal year 2017/18.</p> <p>(b) Cllr Hayward as Vice Chair of the Committee for the municipal year 2017/18.</p>
4.	<b>Minutes of the meeting held on Tuesday 11<sup>th</sup> April 2017</b>	<p>The Committee agreed the minutes, subject to the attendance being amended to show Councillor Haywood was not at the meeting. The minutes are on page 6 of the agenda. (see link above)</p>
5.	<b>Interview - Mayor of Combined Authority</b>	<p>The Committee invited the Mayor to the meeting to talk about his priorities and 100 day plan and in particular</p> <ul style="list-style-type: none"> <li>• Housing and Infrastructure</li> <li>• Maximising affordable housing and range of housing options</li> <li>• The benefits of having feasibility studies</li> <li>• The benefits of business plans to attract further investment</li> <li>• Wisbech Garden Town</li> <li>• M11/A47 feasibility study</li> <li>• Skills, apprenticeships and the proposed Peterborough University</li> <li>• Working with partners</li> <li>• Public sector reform</li> <li>• The economy and dealing with deprivation</li> <li>• Staffing levels</li> </ul>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<ul style="list-style-type: none"> <li>The role of scrutiny in relation to its</li> </ul> <p>A full summary of the interview is in the minutes. <a href="http://cambridgeshirepeterborough-ca.gov.uk/meetings/overview-and-scrutiny-committee-26-june-2017/">http://cambridgeshirepeterborough-ca.gov.uk/meetings/overview-and-scrutiny-committee-26-june-2017/</a></p> <p>The 100 day plan is on page 11-14 of the agenda and is also available on the Combined Authority website. <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Mayor/The-Mayor-of-Cambridgeshire-and-Peterborough-100-Day-Plan.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Mayor/The-Mayor-of-Cambridgeshire-and-Peterborough-100-Day-Plan.pdf</a></p>
6.	<b>Review of Combined Authority Agenda</b>	The Committee considered the agenda that had been published for the upcoming Combined Authority Board meeting on 28 June and agreed to noted the agenda of the Combined Authority Board meeting on 28 June, having had the opportunity to discuss the projects under the previous item.
7.	<b>Combined Authority Forward Plan</b>	<p>The Committee noted the forward plan of the Combined Authority Board as at 12 June.</p> <p>The current forward plan is at <a href="http://cambridgeshirepeterboroughca.gov.uk/assets/Combined-Authority/Agenda-Item-1.8-Forward-Plan.pdf">http://cambridgeshirepeterboroughca.gov.uk/assets/Combined-Authority/Agenda-Item-1.8-Forward-Plan.pdf</a></p>
8.	<b>Overview &amp; Scrutiny Work Programme</b>	<p>The Committee agreed to amend the work programme particularly the timetable for inviting Portfolio Holders to future meetings to talk about their portfolios and areas of responsibility. should be amended as follows:</p> <p>The following Portfolio Holders to be invited to this meeting</p> <p>24 July meeting</p> <p>(a) Portfolio Holder for New Homes and Communities (b) the Portfolio Holder for Transport.</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>21 September meeting</p> <p>(a) Deputy Mayor – Portfolio Holder for Economic &amp; Productivity Strategy. (b) the Portfolio Holder for Strategic Planning</p> <p>23 October meeting</p> <p>(a) Deputy Mayor – Portfolio Holder for LEP and Tourism (b) Portfolio Holder for Employment and Skills</p> <p>27 November</p> <p>(a) the Portfolio Holder for Fiscal Planning.</p> <p>The Mayor should be invited quarterly to attend the Overview and Scrutiny Committee meetings with the next invitation to be in six months.</p>
9.	<b>Date &amp; Location of Next Meeting</b>	The next meeting would be held at Peterborough City Council on 24 <sup>th</sup> July 2017



**CAMBRIDGESHIRE  
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COMBINED AUTHORITY

# CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY BOARD

## Decision Statement

Meeting: 28th June 2017

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Agenda-and-items.pdf>

Item	Topic	Decision
	<b>Part 1 – Governance Items</b>	
1.1	<b>Apologies and Declarations of Interest</b>	Apologies received from Councillor Count, substituted by Councillor Hickford. There were no declarations of interest.
1.2	<b>Minutes – 31 May 2017</b>	The minutes of the meeting of 31st May 2017 were approved as a correct record.
1.3	<b>Petitions</b>	None received.
1.4	<b>Public Questions</b>	None received.
1.5	<b>Independent Remuneration Panel (IRP) on Mayoral Remuneration Scheme and Independent Person Allowance</b>	<b>Mayoral Remuneration Scheme</b> The Cambridgeshire and Peterborough Combined Authority Order 2017 enabled the Combined Authority to pay an allowance to the Mayor if the Combined Authority consider a report published by an independent remuneration panel established by one or more of the constituent councils. Cambridgeshire County Council's panel was appointed to consider the Mayor's



Item	Topic	Decision
		<p>allowance. The panel undertook its review in April and its report was considered by the Board. The Independent panel's report is attached at Appendix A on page 12 on the agenda (See link above) and agreed:</p> <p>(a) the scheme of Mayoral allowance as recommended by the Independent Panel for the municipal year 2017/18 and 2018/19;</p> <p>(b) that the Panel should undertake a further review no later than 24 months from the date of this decision;</p> <p><b>Independent Person's Allowance</b>  By law, the Board must appoint an independent person to sit on the Audit and Governance Committee for which an allowance may be paid. At its annual meeting the Board appointed John Pye as the independent person and appointed him as Chair. The Chair's position requires significantly more work and responsibility, and involves meetings in between meetings, such as meetings with the Internal and External Auditors, agenda briefings etc. Therefore the Board agreed to increase the allowance to £1534 to take account of his additional duties as Chair.</p>
1.6	<b>Appointment of Chief Executive</b>	<p>By law, the Combined Authority must appoint a Head of Paid Service. This officer also acts as Chief Executive. Following a recruitment campaign, 24 applications were received, a long list of 8 candidates were given a technical interview by Penna, the appointed recruitment consultants. 3 candidates attended a final selection process by a Member level appointments panel.</p> <p>The Board approved the appointment of Martin Whiteley to the post of Chief Executive as recommended by the Chair of the Appointments panel following the final interviews.</p>
1.7	<b>Arrangements for Appointment of Statutory Officers</b>	<p>By law the Combined Authority must appoint a Monitoring Officer and Chief Finance Officer. These positions had been filled on an interim part time basis (2 days a week) by the Monitoring Officer and Chief Finance Officer at Peterborough City Council. Now that the Combined Authority's work was developing at apace, these roles needed to be filled on a full time basis. The City Council agreed to release Kim Sawyer, the interim Monitoring Officer, on a full time basis. The Board therefore agreed to appoint Kim Sawyer from 1 July on a full time basis until a permanent appointment was made.</p> <p>As the City Council were unable to release the interim Chief Finance Officer on a full time basis,</p>

Item	Topic	Decision
		the Board agreed to authorise the Chief Executive to source a full time interim Chief Finance officer until a permanent appoint was made.
1.8	<b>Forward Plan</b>	The board approve the Forward Plan of Executive Decisions dated 26 June 2017. <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Agenda-Item-1.8-Forward-Plan.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Agenda-Item-1.8-Forward-Plan.pdf</a>
	<b>Part 2 – Key Decisions &amp; Policy</b>	
2.1	<b>Business Case for Phase 2 of the University of Peterborough</b>	<p>The creation of an independent University in Peterborough with its own degree awarding powers has been a long held desire of the leaders, employers and people of Peterborough and the surrounding area. The Constituent Councils of the Combined Authority expressed their intention to deliver a University for Peterborough in the devolution deal signed with Government in July 2016.</p> <p>The city is one of the largest conurbations in the UK without a university and contains six wards with the lowest higher education progress in the East of England. This restrains economic growth by perpetuating high end skills shortages, deters future investment by technology-based industries in the area and drives an outward migration of intellectual and skilled talent.</p> <p>The University Centre Peterborough was created as a joint venture in 2007 by Anglia Ruskin University and Peterborough Regional College and both organisations agreed to work together to establish an independent University in Peterborough.</p> <p>Phase one of the project involving an assessment of potential student demand and initial planning had been completed. The Greater Cambridge Greater Peterborough Enterprise Partnership (GCGPEP) Board supported the first phase and this phase demonstrated the potential to establish a viable self-sustaining university in Peterborough</p> <p>The board received a business case for phase 2 of the project (See page 39-89 of the agenda) comprises the following work streams:</p> <ul style="list-style-type: none"> <li>• Curriculum development - develop student base, confirm demand for courses and mode of delivery, recruit staff, raise aspirations and understanding</li> <li>• Marketing, engagement and widening participation strategy</li> <li>• Development of a robust business case for phase 3 – the design and build phase of the</li> </ul>

Item	Topic	Decision
		<p>university campus</p> <ul style="list-style-type: none"> <li>• Developing student facilities/amenities to attract additional students who want a wider student experience</li> <li>• Securing/ refurbishing interim University building / premise</li> </ul> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. Agreed to support Phase 2 of the University of Peterborough project and approved in principle, the overall funding request for £6.53m.</li> <li>2. Approved the initial draw down of £3.83m from the overall total subject to agreement of the grant conditions attaching to the funding.</li> <li>3. Note that the following would come to future meetings as indicated: <ol style="list-style-type: none"> <li>a. a further set of costed options for work streams 4 and 5 – improving student amenities and the securing and refurbishment of interim accommodation for the University (September 2017 meeting).</li> <li>b. reports timed around key milestones on the delivery of Phase 2 (on-going).</li> <li>c. a detailed Business Case and Investment Strategy for Phase 3 of the University “Design and build of a University campus” (December 2018).</li> </ol> </li> </ol>
2.2	<b>Interim Local Transport Plan</b>	<p>Following devolution the directly-elected Mayor and the Combined Authority (CPCA) assumed certain transport functions under the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority is now the Local Transport Authority with strategic transport powers for the areas previously covered by Cambridgeshire County Council and Peterborough City Council.</p> <p>The Mayor and the Combined Authority are together responsible for:</p> <ol style="list-style-type: none"> <li>(a) Setting the overall transport strategy for Cambridgeshire and Peterborough, called the Local Transport Plan;</li> <li>(b) A multi-year local transport budget for Cambridgeshire and Peterborough;</li> </ol>

Item	Topic	Decision
		<p>(c) Management and maintenance of a Key Route Network of local authority roads when established; and</p> <p>(d) Passenger transport, including the ability to franchise bus services in the Cambridgeshire and Peterborough area.</p> <p>The Combined Authority must produce a Local Transport Plan. The report recommended that the previous Local Transport Plans of Cambridgeshire County Council and Peterborough City Council are adopted into a single Local Transport Plan. (See plan on page 94-135). This is an interim measure until a comprehensive statutory process can be undertaken to review the Combined Authority's strategic transport planning role to produce a long term Local Transport Plan for the Cambridgeshire and Peterborough area.</p> <p>It is proposed to bring forward a scheme to the Board meeting in July which will set out how it will undertake work to develop a new Local Transport Plan for the Cambridgeshire and Peterborough area. This will include consultation with residents and businesses, to ensure that the Local Transport Plan properly represents the needs of communities and stakeholders across the entire region.</p> <p>The Board agree the Interim Local Transport Plan for the Combined Authority and noted the intention to bring forward plans to commission a new Local Transport Plan for the Combined Authority.</p>
2.3	<b>Strategic Transport Infrastructure Schemes</b>	<p>The Mayor and the Combined Authority are committed to addressing the historic deficit in transport investment and improving transport and the physical connections between communities including cities, towns and rural areas. This will provide a means to deliver sustainable growth across the area, and support housing and economic development.</p> <p>Devolution affords the Combined Authority the opportunity to consider bold and innovative solutions to overcome long-standing infrastructure needs across Cambridgeshire and Peterborough via a series of new initiatives together with work that is already underway and planned across the Combined Authority area.</p> <p>The purpose of this report was to ask the Board to proceed with an initial set of interrelated business cases and feasibility studies for key strategic schemes across Cambridgeshire and Peterborough.</p>

Item	Topic	Decision
		<p>The Board agreed to Commission each of the following feasibility studies:</p> <p><b>Dualling of A47 Business Case between the A16 to the east of Peterborough and Walton Highway to the east of Wisbech.</b></p> <p>The terms of reference for the consultant's brief is set out in Appendix 1 (p144-154 of the agenda)</p> <p>This scheme will:</p> <ul style="list-style-type: none"> <li>• Improve connectivity between Norfolk, Fenland and Peterborough / the A1 and onward to national destinations, reducing journey times and improving journey reliability</li> <li>• Help to boost economic prosperity, particularly in Peterborough and Wisbech, by reducing transport costs and improving accessibility to national markets for a large part of the east of England</li> <li>• Support economic and housing growth in Peterborough, Fenland, Kings Lynn and West Norfolk and further east along the A47 corridor.</li> </ul> <p>The benefits and aims are summarised in 3.2 of the report on page 137-138</p> <p><b>A47 extension to M11 Feasibility Study – aligned to upgrading of A10 Business Case</b> (For terms of reference for consultants – see Appendices 2 &amp; 3 – pages 155-166)</p> <p><b>(a) Extending the A47 to the M11</b></p> <p>The Combined Authority wishes to understand the feasibility, viability, benefits and impacts of connecting the M11 in the Cambridge area to the A47 in the Guyhirn / Wisbech area.</p> <p>In improving accessibility from the north of Cambridgeshire to the Strategic Road Network, Cambridge, Stansted Airport and London, a new or upgraded route would aim to:</p> <ul style="list-style-type: none"> <li>• Provide conditions that encourage inward investment in higher value employment sectors in the north of Cambridgeshire</li> <li>• Improve access from the north of Cambridgeshire to employment opportunities in the Greater Cambridge area</li> <li>• Reduce spatial inequalities across Cambridgeshire and share and expand the benefits of the success of the Greater Cambridge area</li> <li>• Support economic and housing growth in Fenland and East Cambridgeshire and in the</li> </ul>

Item	Topic	Decision
		<p>Cambridge area.</p> <p>The work to understand options for extending the A47 to the M11 is intrinsically linked to the existing work to upgrade the A10. It is therefore proposed that this initial work is undertaken and aligned with the stage that the A10 work has already reached at which point the Combined Authority can decide whether to proceed with a single route study north to south or two separate studies.</p> <p><b>(b) Upgrading the A10</b></p> <p>The A10 is a significant growth corridor linking Greater Cambridge to the wider Cambridgeshire area. There are currently a number of pieces of work underway and planned that could impact on the corridor between Kings Lynn, Ely, Cambridge and Royston.</p> <p>Therefore, the feasibility study for extending the A47 into the M11 will be commissioned as an extension to the current Greater Cambridge City Deal / Cambridgeshire County Council commissioned Cambridge to Ely / Kings Lynn Studies / Business Case development. The feasibility study outputs will then be considered alongside the A10 improvements to determine the strategy and programme of work.</p> <p><b>Wisbech Garden Town Feasibility Study</b> (Appendix 4 pages 167-178)</p> <p>The Combined Authority wishes to undertake feasibility work to continue to develop Wisbech Garden Town.</p> <p>The Wisbech Garden Town development aims to:</p> <ul style="list-style-type: none"> <li>• Enable regeneration of the town, tackling social, economic and deprivation challenges</li> <li>• Support economic and housing growth in Wisbech and Cambridgeshire, in particular ensuring a pipeline of good quality homes in the Wisbech area</li> <li>• Provide conditions that improve East-West connectivity and North-South links, improving connectivity and promoting Wisbech as a destination of choice for residents and businesses</li> <li>• Develop Wisbech as a location for economic growth and inward investment geared towards agri-tech, food research and development and food processing</li> </ul> <p>The feasibility work will test the viability of the proposed Garden Town and include a series of</p>

Item	Topic	Decision
		<p>technical development and placemaking studies aimed at addressing challenges associated with flooding risk and water management, highway and transportation and housing completions.</p> <p>The Garden Town proposal will be submitted to DCLG in summer/autumn 2017 identifying the requirement for Government support for the project and inclusion in the Garden City prospectus.</p> <p>The Board agreed</p> <p>(a) a total budget allocation of £8.75 million for the delivery of the feasibility studies and business case.</p> <p>(b) delegated authority to the Interim Chief Executive, in consultation with the Portfolio Holder for Transport &amp; Infrastructure, to award a contract for each of the feasibility studies and business case provided that the collective value of the contracts does not exceed the approved budget allocation.</p> <p>The Board also noted the intention to bring forward proposals for a feasibility study with the City Deal Board into the rapid, mass transport options for Cambridge City and the surrounding travel to work area to the Board in July 2017. This will to assist in the development of City Deal's ambitions to provide rapid, mass transport in Cambridge City and the surrounding travel to work.</p>
2.4	<b>An Independent Economic Commission</b>	<p>The Combined Authority, local businesses and central government must share a collective understanding of the size, importance, additionality, and rate of grow of the economy in Cambridgeshire and Peterborough. Creating a single view of the economy will allow political and business leaders to agree on economic priorities and to come together more effectively in pursuing them.</p> <p>The Combined Authority is committed, through its Assurance Framework, agreed in February 2017 with Government and by the shadow Combined Authority Board, to creating an independent Economic Commission. The Board agreed:</p> <ol style="list-style-type: none"> <li>1. to establish an independent Economic Commission; the proposed membership is set out in para 3.8 of the report p182, and the terms of reference is set out in Appendix 1(p185-186)</li> <li>2. that the independent Economic Commission undertake an economic review to be completed by 1 December 2017; (For Terms of Reference see Appendix 2 (p187-188)</li> </ol>

Item	Topic	Decision
		<p>3. a budget of £145,000 to support the operation of the commission, undertake the economic review, and to promote its findings with Government and private sector investors.</p> <p>The establishment of the Commission will require partners to work collectively and to think differently about economic growth, investment and prosperity.</p>
	<b>Part 3 – Decisions</b>	
3.1	<b>National Productivity Investment Fund</b>	<p>The Board agreed four schemes for submission to the National Productivity Investment Fund (NPIF), run by the Department for Transport.</p> <ol style="list-style-type: none"> <li>A47 Junction 18 Improvements</li> <li>March Junctions</li> <li>Wisbech Development Access Improvements</li> <li>A605 Whittlesey Access Phase 2 – Stanground Access</li> </ol> <p>Details of the scheme are set out in table 1 page 192-3 of the agenda.</p> <p>The four schemes have been approved and prioritised by the Highway Authorities – Cambridgeshire County Council and Peterborough City Council.</p> <p>If the bids are successful in securing funding, they will collectively support the delivery of:</p> <ul style="list-style-type: none"> <li>• approximately 7,000 new homes – identified in local plans;</li> <li>• approximately 3,000 new jobs – also identified in local plans; and</li> <li>• address traffic congestion at recognised bottlenecks.</li> </ul> <p>The Board noted</p> <ol style="list-style-type: none"> <li>1. the significant wider economic benefits they would deliver; and</li> <li>2. that if successful 30% of the costs of the March Junctions and the Wisbech Development Access Improvement schemes, £3.29m in total, would be met locally through Combined Authority funding, or other funding streams.</li> <li>3. that if successful 30% of the costs of the A47 Junction 18 improvements and the A605 Whittlesey Access scheme will be met locally, through the local Highway Authority block grant funding.</li> </ol>



Item	Topic	Decision
		Details will be incorporated within a budget update report to the Board in July.
3.2	<b>Housing Programme: Modular Homes – Off Site Housing</b>	<p>The Board agreed to proceed with a feasibility study to consider the commercial opportunities that might exist for the Combined Authority in off-site housing manufacturing and to assess the wider benefits that might be available to the area including new skills and employment, and in accelerating housing delivery.</p> <p>The Combined Authority agreed to appoint a Consultant to provide expert independent advice in undertaking a Feasibility Study to consider how off-site construction methods can be used to speed up housing delivery and to determine the options and business case for establishing a production facility/commercial enterprise with the aim of:</p> <ul style="list-style-type: none"> <li>• Accelerating housing delivery – the Combined Authority’s ambition is to accelerate and sustain delivery of 100,000 new homes across the Combined Authority area;</li> <li>• Supporting economic growth - increasing the delivery of homes at prices people can afford will help attract new workers into the area and encourage employers to locate here; and</li> <li>• Advancing its ambitions to create a production facility, supporting economic growth and providing employment and training opportunities.</li> </ul> <p>The feasibility study will:</p> <ul style="list-style-type: none"> <li>• Prepare a technical paper setting out the necessary considerations in setting up an off-site housing manufacturing production plant. Details of the requirements for the technical paper are set out in Appendix 1 p202-207.</li> <li>• Provide advice about the likely local market in Cambridgeshire and Peterborough for an off-site manufactured housing product, and undertake relevant local market research.</li> <li>• Provide advice about the activities of potential local (regional and national) competitors that are currently operating in this market space or currently considering investing.</li> <li>• Provide advice, based on examples from around the UK about the more effective business operating model. Set out the specific revenue and capital funding that would be required from the Combined Authority to progress these options.</li> <li>• Provide advice about potential funding sources to support this work and assist in preparation of bids for appropriate available funding.</li> <li>• Provide advice about the key risk issues that the Combined Authority would need to consider in developing this proposal.</li> </ul>

Item	Topic	Decision
		<ul style="list-style-type: none"> <li>• Prepare a strategic outline business case (in accordance with Government/ Treasury guidelines) for the proposal.</li> </ul> <p>The Board also</p> <ul style="list-style-type: none"> <li>• Noted the intention for the Combined Authority Interim Chief Executive in conjunction with the Portfolio Holder for Housing to determine the most appropriate means of procuring the feasibility study in accordance with procurement regulations.</li> <li>• Agreed a budget allocation of £25,000 in 2017/18 to commission the proposed feasibility study and delegate authority to the Interim Chief Executive, in consultation with the Portfolio Holder, to award a contract for the feasibility study provided that the value of the contract does not exceed the approved budget allocation.</li> </ul>
	<b>Part 4 – Financial Management &amp; Audit</b>	
4.1	<b>Budget Update</b>	<p>This report provided an update on the draft outturn position and draft Statement of Accounts of the Combined Authority for 2016/17 and of the 2017/18 budget together with the Medium Term Financial Forecast to 2020/21.</p> <p>The Board noted</p> <ol style="list-style-type: none"> <li>1. the re-profiling of the Housing Grant funds for the years 2016/17 to 2020/21 (para 3.1 page 209 of the agenda).</li> <li>2. the Outturn position for 2016/17. (para 3.1 page 209 210 of the agenda).</li> <li>3. the Statement of Accounts for the period ended 31 March 2017. (para 3.3 page 210 211) of the agenda</li> <li>4. the current VAT position of the Combined Authority and the steps being taken to address the issues caused by not having a Section 33 VAT Order in place (para 3.5 p 211-22)</li> <li>5. the budget updates as requested for approval <ol style="list-style-type: none"> <li>a) in other Board reports on this meeting's agenda.</li> <li>b) as set out for approval in paragraph 3.13 p214 of the agenda</li> <li>c) to note the budget adjustments made via delegated Authority.</li> </ol> </li> <li>6. the updated budget and indicative resources for 2016/17, 2017/18 and Medium Term</li> </ol>

Item	Topic	Decision
		<p>Financial Forecast for 2018/19 to 2020/21 as set out in Appendix A p215-273</p> <p>The Board also approve the external auditors fees for 2016/17 and 2017/18.</p>
	<b>Part 5 – Date of Next Meeting</b>	
5.1	<b>Date of Next Meeting</b>	<p>Wednesday 26 July 2017</p> <p><b>Post meeting note: The board will be now be held at 10am at Shire Hall.</b></p>