



# INVESTMENT COMMITTEE

THURSDAY, 29 AUGUST 2024 -

Venue:	Civic Suite, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN	
Time:	2.00 pm	
Present:	Mayor Dr Nik Johnson	CPCA Mayor (Chair)
	Councillor Simon Smith	Cambridge City Council
	Councillor Lucy Nethsingha	Cambridgeshire County Council
	Councillor Alan Sharp	East Cambridgeshire District Council
	Councillor Dr Haq Nawaz	Fenland District Council
	Councillor Sam Wakeford	Huntingdonshire District Council
	Councillor Nick Thulbourn	Peterborough City Council
	Councillor John Williams	South Cambridgeshire District Council
	Al Kingsley	Business Board Representative
	Nitin Patel	Business Board Representative

## Minutes

1	<b>Apologies for Absence</b>
	There were no apologies from members of the Committee.
2	<b>Declaration of Interests</b>
	There were no declarations of interests.
3	<b>Chair's Announcements</b>
	The Chair welcomed Members to their first meeting and expressed his pride in chairing this new committee which would build on the existing governance structure to drive more timely, strategic and effective decisions on investments.
4	<b>Election of Vice-Chair</b>
	On being proposed by the Chair and seconded by Cllr Smith, Cllr Sam Wakeford was unanimously elected as Vice-Chair of the Committee.  <u>RESOLVED:</u> That Cllr Sam Wakeford be elected as Vice-Chair of the Committee.
5	<b>Investment Committee Terms of Reference</b>

	<p>The Monitoring Officer introduced the report which presented the Terms of Reference for the Committee.</p> <p>During discussion the following points were noted:</p> <ol style="list-style-type: none"> <li>a) The Committee's intent was to work collaboratively across all the districts and to reflect the practices observed in other portfolio committees.</li> <li>b) The Committee set up allowed for a more comprehensive assessment of projects with measures including not only a return on investment but also job creation, social impact and alignment with long term growth strategies. These measures were to remain flexible to accommodate the unique aspects of each project.</li> <li>c) Clearly defined and agreed upon terms of reference ensured consistency and minimised any potential disruptions in project continuity, even in the event of leadership changes.</li> <li>d) The Committee agreed to keep the terms of reference under review as the Committee developed in its remit.</li> </ol> <p><b>RESOLVED:</b> The Committee noted the Terms of Reference.</p>
6	<p><b>Single Assurance Framework Business Case Approvals: Chief Executive Officer Decisions</b></p>
	<p>The Executive Director of Resources introduced the report which set out the projects which had been approved by the Chief Executive in accordance with the delegated authority from the Board.</p> <p>During discussion the following points were discussed:</p> <ol style="list-style-type: none"> <li>a) The funding for the Climate Action Plan covered not only the updating of the Plan but also significant public engagement and work on climate adaptation, particularly regarding water management and overheating risks.</li> <li>b) The challenges of planning for varying growth scenarios due to the concurrent nature of data gathering and plan development were acknowledged. The approach would involve scenario planning based on existing and projected growth, allowing the evidence base to adapt to different levels of growth.</li> <li>c) Several anticipated outcomes from the Energy Plan were outlined and were as follows: <ul style="list-style-type: none"> <li>• <b>Utility Investments:</b> The Plan would provide well-evidenced proposals that utility companies could incorporate into their investment plans, which were subject to regulatory approval.</li> <li>• <b>Local Solutions:</b> The Plan would explore local solutions, such as the deployment of heat networks, that required place-specific analysis rather than a theoretical approach.</li> <li>• <b>Evidence for Advocacy:</b> The Plan would strengthen the region's ability to advocate for government support and address barriers by providing a clear evidence base.</li> </ul> </li> <li>d) While the Plan would not solve all future technological uncertainties, it would help map out opportunities and provide a clearer picture of the region's energy needs. This would include working with industry and businesses to anticipate power supply and voltage issues, particularly in high-growth areas.</li> <li>e) Climate projects would be coordinated with the constituent authorities through the Local Authority Place Directors meeting, ensuring that planning efforts were aligned across all regions.</li> <li>f) Members were reassured by officers that engagement had been, and would continue to be, a critical component of the Climate Action Plan</li> <li>g) Governmental organisations, universities, hospitals, and other institutions faced challenges in implementing energy plans due to their budgeting constraints. These institutions often had budget structures that discouraged participation in local energy plans, preferring instead to negotiate their own deals.</li> <li>h) Members expressed concerns about the privatised and regulated nature of the electricity grid, describing it as a "broken system." Examples from Cambridge were cited, where insufficient grid capacity delayed necessary reinforcements until the Greater Cambridge Partnership (GCP) intervened.</li> <li>i) The Energy Plan was designed to explore opportunities such as smart grids and neighbourhood</li> </ol>

	<p>heat networks, focusing on future energy needs and achieving net-zero targets. While the exact level of detail was not yet determined, the Plan aimed to identify and incorporate these opportunities.</p> <p>j) The broader challenges of energy infrastructure had been raised with the National Infrastructure Commission, particularly the challenge of providing infrastructure ahead of growth and the first-mover disadvantage. The Plan intended to serve as a robust evidence base for local plans, though it would not direct where growth should occur as that remained a decision for local authorities.</p> <p>k) The concern about grid capacity was acknowledged but demand management, smart use of energy, and battery storage would be part of the study's broader context. The officer indicated that specific locations for large-scale renewables might be addressed but that it would need further investigation.</p> <p><b>RESOLVED:</b></p> <p>The Investment Committee resolved to:</p> <p>A. Note the Chief Executive business case decisions for projects less than £1m under the Single Assurance Framework.</p>
7	<p><b>Investment Concept Papers</b></p>
	<p>The Executive Director of Resources introduced the report which set out the concept proposals for consideration and comment by the Committee prior to their presentation to the CPCA Board on 4 September 2024.</p> <p>During discussion the following points were discussed:</p> <p>a) Members generally supported the concept paper for Cambridgeshire and Peterborough Impact but felt that trends and indicators would be more useful rather than numbers that went into too much detail and could not be substantiated.</p> <p>b) Growth coaching did not always have very clear and easy measures of impact and probably a better measure and more relevant ambition, when talking about social enterprises, was how many people it engaged with, rather than its increased turnover or the introduction of a product to Market.</p> <p>c) The CPCA team met regularly with Economic Development colleagues from the constituent councils who were actively involved in the development of the proposal.</p> <p>d) The Chair and other members discussed the value of social enterprises, emphasising that they often filled gaps where traditional businesses might not operate, particularly in local towns and villages. The importance of community engagement through volunteers and the unique role of social enterprises in regional development was highlighted.</p> <p>e) Some members argued for greater trust in the providers of support to social enterprises, suggesting that rigid KPIs might limit the flexibility needed to meet the evolving needs of these organisations. There was also a suggestion to align these initiatives with broader regional strategies, such as the Market Towns Initiative, and to explore alternative funding methods, such as social bonds and capital investment.</p> <p>f) The discussion emphasised the importance of involving existing local umbrella organisations in the delivery of social enterprises, particularly in smaller, rural communities and market towns. The goal was to avoid "reinventing the wheel" by leveraging established infrastructures that already supported voluntary organisations and social enterprises.</p> <p>g) The inspirational nature of social enterprises, which often helped individuals gain confidence, learn new skills, and transition from unemployment to employment was highlighted.</p> <p>h) Overall, the Digital Connectivity proposal was well-received, with comments focussed on ensuring it fitted into the broader regional strategy and incorporated feedback from various stakeholders. The proposal was seen as a continuation of the success of the "Connecting Cambridge" initiative over the past four years.</p> <p>i) The Business Board had been actively engaged in discussions about the proposal,</p>

	<p>particularly focusing on its long-term plan and alignment with broader digital connectivity goals. This ongoing engagement was highlighted as a crucial factor in the proposal's development.</p> <ul style="list-style-type: none"> <li>j) Concerns were expressed about the timing and integration of these projects into the broader business planning cycle. Typically, the business planning process began in the autumn, followed by decisions in the spring regarding the budget. The introduction of these projects at this stage, without prior discussion about other potential projects that could fall into the same category, raised questions about how these and other projects would be assessed and prioritised within the overall business planning process.</li> <li>k) A Member commented on the potential risks of projects remaining in the pipeline without secured funding, which could lead to a lack of discipline in budget allocation. The need for careful consideration of what projects were added to the pipeline to avoid unfunded commitments was emphasised.</li> <li>l) Officers explained that the SAF, which governed the process for bringing forward concept papers and business plans, was still in the early stages of implementation.</li> <li>m) Last year's MTFP introduced the concept of over-programming the capital program, leading to the creation of thematic funding pots. These pots were intended for investment in projects that were considered good investment opportunities, and which were identified by the Combined Authority in collaboration with constituent councils.</li> <li>n) The process involved submitting concept papers, which, if approved as a priority by the Board, would lead to the development of detailed business cases. These business cases would outline the expected benefits and address any concerns raised by board members.</li> <li>o) Approved business cases would return for final approval before any investment decision was made.</li> <li>p) The officer acknowledged that there was a challenge with the timing of project proposals in relation to the MTFP. Projects may need to be prioritised against other initiatives already in the program or within the thematic pots. A review was currently underway to assess the capital budget's capacity, considering projects in progress and those yet to start. This review would inform future discussions and decisions on project prioritisation.</li> <li>q) The officer elaborated on the concept of a "pipeline" for projects. Projects that were not currently funded or included in the MTFP would be placed in this pipeline, to be considered when future funding became available. The officer confirmed that for projects not currently in the MTFP, alternative funding sources, such as reserves or underspending, may be explored on a one-off basis. This applied particularly to projects requiring immediate investment.</li> </ul> <p><u>RESOLVED:</u></p> <p>The Investment Committee resolved to:</p> <p>A. Note and comment upon the concept papers prior to their presentation CPCA Board at its meeting on 4 September 2024:</p>
8	<p><b>Single Assurance Framework: Reporting of Major Project Performance and Wider CPCA Projects Dashboard</b></p>
	<p>The Committee received a report from the Executive Director of Resources which set out performance data for the major projects supported by CPCA investment and highlighted the wider CPCA project landscape.</p> <p>During discussion the following points were noted:</p> <ul style="list-style-type: none"> <li>a) The Combined Authority was developing a single project register to enhance reporting transparency. This register would consolidate data across projects, allowing for more effective and detailed reporting to the Committee. The goal was to provide clear updates on the scale, progress, and challenges of ongoing projects.</li> <li>b) Funding for the Peterborough Station Quarter (PSQ) was secured by the Combined Authority in</li> </ul>

	<p>partnership with Peterborough City Council, with the Combined Authority serving as the overarching sponsor. The project was being led by Peterborough City Council, and the funds were focused on transport infrastructure, including the Eastern and Western access to the station.</p> <p>c) Phase 1 of the PSQ project did not include the Great Northern Hotel as it was expected to be addressed in later phases as part of the broader northwest Gate project.</p> <p>d) The PSQ project was complex and required realistic expectations. The use of an "amber" rating reflected a prudent understanding of the challenges involved.</p> <p>e) The Strategic Director of Resources thanked Committee Members for providing valuable feedback and assured them that the Committee's input would help shape the reporting and monitoring processes going forward.</p> <p>f) Overseeing projects that had already been approved by Board and were currently being delivered was part of the Committee's responsibilities, as set out within its terms of reference. The Chair reiterated that while initial decisions may be in the past, the Committee still played a critical role in monitoring, challenging officers on project progress, ensuring that projects were on track and ensuring accountability.</p> <p>g) The focus of this first meeting was on getting feedback and setting the stage for future decision-making. The Committee would also have the opportunity to review performance and suggest strategic adjustments as needed.</p> <p>h) Members expressed confidence that the current governance structures, including the Committee's work, demonstrated that the Combined Authority was a well-managed organisation and suggested that the external auditors should recognise this progress and consider removing any best value notices.</p> <p>i) The Chair concluded the discussion by thanking all members for their contributions. He reiterated that the Committee's role would evolve, and future meetings would involve a mix of reviewing ongoing projects and making new investment decisions. The Chair also acknowledged the importance of robust discussions, as they contributed to the collective wisdom and effectiveness of the Committee.</p> <p><b>RESOLVED:</b></p> <p>The Investment Committee resolved to:</p> <p>A. Note the performance against major projects supported by Cambridgeshire and Peterborough Combined Authority (CPCA)</p> <p>B. Note the summary of the wider CPCA project landscape</p>
9	<p><b>Work Programme</b></p>
	<p><b>RESOLVED:</b></p> <p>The Investment Committee resolved to:</p> <p>A. Note the Work Programme</p>
10	<p><b>Date of Next Meeting</b></p>
	<p>The date of the next meeting was confirmed as Monday 30 September 2024.</p>