



THE BUSINESS BOARD

Business Board: Minutes

(Draft minutes published on 27th March 2023)

Date: 13th March 2023

Time: 2:30pm – 4:55pm

Present: Alex Plant (Chair), Andy Neely (Vice-Chair), Vic Annells, Tina Barsby, Belinda Clarke, Mike Herd, Mayor Dr Nik Johnson, Al Kingsley, Nitin Patel and Rebecca Stephens

128. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Andy Williams.

Vic Annells declared a general non-statutory disclosable interest, as the Chief Executive of the Cambridgeshire Chambers of Commerce.

The Chair welcomed the Combined Authority's new Executive Director of Economy and Growth, Richard Kenny.

129. Minutes – 9th January 2023

The minutes of the meeting held on 9th January 2023 were approved as a correct record.

The Business Board noted the Minutes Action Log.

130. Budget and Performance Report

The Business Board received the latest budget and performance report, which provided an update and overview of the revenue and capital funding lines within the Business and Skills directorate to 31st January 2023.

While discussing the report, the Business Board:

- Expressed concern that the forecast outturn for 2022/23 capital expenditure of £5.587m was less than half the 2022/23 budget of £11.366m, and suggested that such a large variance should have been identified and rectified earlier in the financial year, to avoid such a significant underspend and ensure the maximum provision of support to businesses. It was acknowledged that improvements needed to be made in the frequency and accuracy of how finance reports presented to the

Business Board reflected the reality of projects' situations, but members were assured that the underspent resources would still be available in the following financial year, with a strong pipeline of interest that would ensure businesses did not lose out on the funding.

It was resolved unanimously to:

Note the year to date financial position relating to the revenue and capital funding lines within the Business and Skills directorate for the 2022/23 fiscal year.

131. Strategic Funds Management Review (March 2023)

The Business Board received an update on strategic funding programmes and their progress to 21st February 2023, including the Local Growth Fund (LGF) and Recycled LGF, the Getting Building Fund (GBF), the UK Community Renewal Fund (CRF), the Levelling Up Fund (LUF), the UK Shared Prosperity Fund (UKSPF), and the Create Growth Programme.

While discussing the report, the Business Board:

- Welcomed the case study included in Appendix 1 of the report, and suggested that there should be more frequent and continuous publication of case studies to demonstrate and highlight the positive impacts that the Business Board and Combined Authority had across the Cambridgeshire and Peterborough region. It was agreed to organise a meeting between Business Board members and the communications team. **Action required**
- Expressed concern about the substantial amount of data included in the report and suggested that it would be more productive to refine or simplify the data, although it was acknowledged that the report's objective was to provide members with monitoring data on a large number of projects. Members argued that in future iterations of the report, the Business Board should also be asked to comment on the data included in the report, rather than to just note it.
- Suggested that additional criteria previously discussed by the Business Board could be applied when considering future applications for recycled Local Growth Fund resources.

It was resolved unanimously to:

Note the programme updates outlined in this paper.

132. Growth Hub Core Funding 2023-24

The Business Board received a report proposing the allocation of reserve funds as a contingency to cover the annual operational costs of the Cambridgeshire and Peterborough Growth Hub for the 2023/24 financial year, in lieu of Department for

Business, Energy and Industrial Strategy (BEIS) Growth Hub Funding not continuing. However, members were informed that the Department for Business and Trade (DBT) had confirmed a continuation of the funding since the report had been published. The allocation for Cambridgeshire and Peterborough was yet to be confirmed, although it was anticipated to be similar to previous amounts, and the Business Board was therefore still asked to consider endorsing the use of reserve funds as a contingency in the event that the final allocation was not sufficient. The report contained an appendix which was exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

While discussing the report, the Business Board:

- Welcomed the announcement from DBT that funding would continue for the next year, and supported the use of reserve funds for contingency funding.
- Queried whether the previous period of uncertainty over the continuation of funding had negatively impacted the Growth Hub or its consistency of delivery. Members were informed that staff at the contractors had previously been advised of the risk that funding may not continue, and that none had left as a result of the uncertainty, underlining their commitment to the work of the Growth Hub.

It was resolved unanimously to:

Recommend that the Combined Authority Board approves contingency funding to sustain delivery of the Combined Authority Growth Hub for the period April 2023-March 2024.

133. Cambridgeshire and Peterborough Economic Growth Strategy Implementation Plan

The Business Board received a report which detailed the Implementation Plan for the Economic Growth Strategy (EGS), which also sought the Business Board's consideration on how its individual members could support the delivery of some of its key elements. It was emphasised that the Implementation Plan was a living document that would continue to evolve, and that it set out actions that were underway and for which funding was already in place, as well as the more long-term strategic thinking that would have to take place.

While discussing the report, the Business Board:

- Welcomed the Implementation Plan and the progress that it set out, expressing concern about the length of time it took to develop. Members supported its general direction of travel, and acknowledged that further minor amendments would be made to the Implementation Plan before its presentation to the Combined Authority Board on 22nd March 2023.
- Highlighted the importance of overcoming digital poverty across the region, particularly in the more rural areas, and suggested that the impact of digital

connectivity on improving productivity and prosperity should be given greater prominence within the Implementation Plan

- Suggested that it would be useful to include the details of who was responsible for ensuring each project progressed, and also to include information on the cost and size of all the projects. It was emphasised that it should be made clear where the funding would come from, and whether that funding had been secured. Members also emphasised the importance of refining the data they were provided with to ensure their attention was drawn to the most important matters.
- Welcomed the proposal from the Mayor to organise more regular meetings between himself, the Lead Member for Economic Growth, the Executive Director of Economy and Growth, and the Chair of the Business Board. Members also agreed to further investigate how individual members could collaborate more with the Combined Authority's Lead Members on thematic areas.

It was resolved unanimously to:

- a) Endorse the Implementation Plan for the Economic Growth Strategy and recommend approval of the Implementation Plan to the Combined Authority Board; and
- b) Consider and agree how individual members of the Business Board can act as champions to support delivery of key elements of the Implementation Plan.

134. Growth Works - Management Update for Q8 (October to December 2022) and Annual Reporting for January to December 2022

The Business Board received an update report on programme performance for Quarter 8 of the Growth Works contract, covering the period from October 2022 to December 2022.

While discussing the report, the Business Board:

- Drew attention to the 12% response rate to the survey on which the Net Promoter Score for Quarter 8 was based, suggesting that it could not reflect a broad picture. It was clarified that an independent company had taken a sample of 279 businesses from a list of all those involved with the Growth Works, although members expressed concern that such a pool would be less likely to include those businesses that had dropped out of the programme or that had not followed through on delivery. While it was acknowledged that some of the respondents had not received the full service from Growth Works, it was suggested that such businesses should be proactively included in the list of companies contacted.
- Considered the wider impact of grants on projects than simply creating jobs, noting that the provision of a small amount of funding could sometimes provide sufficient incentive to create jobs that might otherwise have taken longer to be established as part of a larger project.

- Clarified that by noting a report, the Business Board was neither endorsing nor rejecting its content, with the minutes of the meeting detailing issues that had been raised during the discussion.

It was resolved unanimously to:

Note the Growth Works Programme Year Two Review and Performance Data to Q8 (16 December 2022).

135. Local Growth Fund Investment Update

The Business Board received an update report on the position of the equity type investments it had made using the Local Growth Fund (LGF), in which it was acknowledged that the rate of job creation had generally been slower than anticipated. It was also acknowledged that the recent acquisition by HSBC of the Silicon Valley Bank UK Limited had been welcomed due to the stability it had provided to a significant number of investments made through the programme.

While discussing the report, the Business Board:

- Expressed concern about the low level of jobs created through some investments compared to initial forecasts, and considered whether the companies should be asked to review their targets and identify any further support they may require, given the significant economic disruption that had occurred since the funding had been approved. However, it was acknowledged that they were long-term investments that had only been in place for three years, and given that the majority of job numbers were for within ten years, it could be considered unreasonable to make judgements at such an early stage. Members were also cautious about requesting additional information from companies that would have to be shared with other shareholders and investors, potentially affecting their ability to obtain other additional funding.
- Sought clarification on any liaisons with the government about the investments. Members were informed that meetings were regularly held with BEIS, who had shown a particular interest in how the Business Board and Combined Authority had utilised the LGF and its recycled funds, given that not many other Local Enterprise Partnerships had utilised equity funding as an investment option. Although the formal reporting process had ended, informal reporting continued to be undertaken on LGF investment.
- Emphasised that the investments had not been made with an expectation of a financial return, and that broader, long-term objectives had driven the investment decisions, such as the six capitals underlying the Combined Authority's wider strategies and the impacts on businesses and local communities. Members noted the additional performance data categories in the conclusion section of the report's appendix, and suggested that further such metrics could be developed to demonstrate and measure the broader objectives of the investments.

It was resolved unanimously to:

Note the contents of the report.

136. UK Shared Prosperity Fund Implementation Plan

The Business Board received a report which provided an update on the UK Shared Prosperity Fund, including the development of detailed project applications and subsequent due diligence, the development of contract documentation, the development of the Implementation Plan, and governance of the Implementation plan and performance reporting. Assessments were being conducted by local authorities on grant funding agreements for 38 separate projects, and attention was drawn to the benefits that had been demonstrated by collaborative working between the various district, city and unitary councils.

While discussing the report, the Business Board:

- Welcomed the collaborative approach that had been adopted by local authorities, highlighting that it would allow the funding to have a wider, more significant impact than if they had carried out separate, smaller projects.
- Clarified that the monitoring data required by the government was restricted to job creation, and that the Implementation Plan was therefore based on those metrics. Members suggested that a wider range of metrics should nonetheless be monitored as well, to reflect the additional outcomes and benefits. Members were informed that the Combined Authority was looking to establish a baseline that the local authorities could then develop, so that they could track progress and identify successes and failures.

It was resolved unanimously to:

Note the content of the paper for information.

137. Business Board Headlines for Combined Authority Board

The Business Board noted the headlines that the Chair would convey to the Combined Authority Board at its meeting on 22nd March 2023.

138. Business Board Forward Plan

Confirming that the next meeting was scheduled to be held on 15th May 2023, the Business Board noted the Forward Plan.

Chair
15th May 2023