

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
BUSINESS BOARD: MINUTES



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Date: Monday, 27th January 2020

Time: 2.30pm – 5.50pm

Location: iMET, Alconbury Weald Enterprise Campus, Huntingdon

Present: Austen Adams, Tina Barsby, Mark Dorsett, William Haire, Councillor John Holdich, Faye Holland, Aamir Khalid, Al Kingsley, Nicki Mawby, Jason Mellad, James Palmer, Nitin Patel and Rebecca Stephens

106. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies were received from Professor Neely.

Jason Mellad declared an interest in the Local Growth Fund project proposal (project 10, item 111).

Austen Adams declared an interest in the Local Growth Fund project proposal (project 12, item 111).

James Palmer, Councillor John Holdich and John T Hill declared an interest in the University of Peterborough Local Growth Fund project proposal (project 1, item 111); James Palmer and Councillor Holdich reminded Members that they were both non-voting Business Board Members.

Councillor Holdich declared an interest in the Local Growth Fund project proposal (project 7, item 111).

For the declarations above, the Deputy Monitoring Officer explained that when the Board reached the point where they were considering an individual application where a declaration had been made, the conflicted Member would leave the room, and be invited back in once the Board had reached a conclusion on that project. Consideration was being given to the wider process in future because of the number of projects considered by the Board, and the inevitability that some Board Members would have applications and therefore be conflicted.

(Austen Adams withdrew from the meeting)

The Deputy Monitoring Officer outlined the process that had taken place to appoint the permanent Chairman to the Business Board. Following a recruitment process, as part of an advertising campaign launched in August 2019 for the roles of both Board Members and a Chair, an interview took place and the Appointment Panel had recommended that Austen Adams be appointed as permanent Chair of the Business Board with one consecutive term. It was clarified that the 'consecutive term' would run for two years.

Councillor Holdich proposed that Austen Adams be appointed permanent Chairman for one consecutive term, and this was seconded by William Haire.

(Austen Adams rejoined the meeting and thanked the Board for his appointment as Chairman of the Business Board)

Due to the declaration made by the Chairman in relation to one of the Local Growth Fund applications, and the absence of Vice-Chairman, Professor Neely, it was necessary to appoint a Chairman for the meeting. It was agreed to appoint Aamir Khalid as Vice-Chairman for the meeting.

The Deputy Monitoring Officer announced that Board Member William Haire had tendered his resignation from the Business Board with effect from 1st February 2020, which had been accepted. The Chairman commented that he was sad to receive William's resignation and thanked him for all his hard work and commitment, especially his willingness to attend events at short notice, and he hoped that he would continue to be involved with the Business Board in some capacity.

The Deputy Monitoring Officer confirmed that there had been an interview process for a new Business Board Member to replace Mr Haire. An appointment had been made, and subject to the due diligence checks and completion of induction training, it was envisaged that the new appointee would attend the next Business Board meeting.

It was resolved to:

- a) Approve the recommendation of the Appointment Panel and appoint Austen Adams as permanent Chair of the Business Board with one consecutive term;
- b) Note the appointment of new business board member, subject to due diligence and induction training;
- c) Appoint Aamir Khalid as Vice-Chairman for the meeting;
- d) Accept the resignation of William Haire from the Business Board with effect from 1st February 2020.

107. MINUTES OF THE MEETING HELD ON 25TH NOVEMBER 2019

The minutes of the Business Board meeting held on 25th November 2019 were agreed as a correct record and signed by the Chairman.

Turning to the Action Log, it was noted that there was one action outstanding relating to Advanced Material & Manufacturing Sector Strategy. It was confirmed that officers had met with Hethel Innovation, and a revised draft of the Strategy was expected in February, and should be ready in time for consideration at the March Business Board.

108. BUSINESS BOARD MEMBERSHIP UPDATE

Members considered a report on Business Board membership. A special welcome was extended to the new Members, who had undertaken an induction and training process. The report detailed each Member's background, sector specialisms, company size and geography. In response to Member questions, it was confirmed that this information had been shared with the Combined Authority Board, and that Mr Haire's replacement was someone who had been considered in the previous round of applicants.

On a general point, the Chairman advised that the Business Board took decisions by consensus, and he would be asking the Board if anyone had objections when considering decisions.

It was resolved to:

- a) Note the appointment of six new Business Board members;
- b) Note the update on full Business Board membership composition.

109. COMBINED AUTHORITY UPDATE

The Business Board considered a report on key headlines from the Combined Authority Board meeting held on 27th November 2019. Key issues covered at that meeting included the Draft Budget for 2020-21, an update on the £100M affordable housing programme and the establishment of an independent Climate Change commission.

In response to a Member question, James Palmer outlined the issues with the Kings Dyke scheme. He explained that whilst the Combined Authority was a major funder, it was a County Council project, which had hit delays because the budget had been significantly exceeded. These issues would be considered by the County Council in March. There was a commitment by the Combined Authority to review the project, but ultimately the Combined Authority was not responsible for the project.

It was noted that there was an update on the Market Towns strategy on the Forward Plan in March, but this did not appear on the timetable of CPCA Updates (Appendix 2 to the report). It was confirmed that this Strategy was funded by the Combined Authority, and the decision would be made by the Combined Authority Board, and that there would be a subsequent update to the Business Board. **Action required.**

Members received a presentation from Oliver Howarth, the Bus Strategy Manager for the Combined Authority, on the Strategic Bus Options review. He explained how the Combined Authority Board had sanctioned an investigation into the strategic options available following the enactment of the Bus Services Act 2017. The Review focused on determining how bus services would be delivered in future, especially with the development of CAM, and the issues around population growth, emissions and congestion in the county. The four options available, ranged from straightforward commercial operation of bus services, with limited support, which was the way most bus services in England operated, to direct franchising by the local authority. Between these two, there were a range of options including Advanced Quality Partnership Schemes, and Enhanced Partnership Schemes, but under these schemes, the Transport Authority could not dictate bus routes or frequencies. Franchising would give

more power to contract particular services for a particular price and enable a more strategic overview to be taken, allowing some joining up with e.g. school and hospital transport. To date, no authority has this legal framework up and running in the UK. Manchester was currently exploring franchising but some operators were very averse to this approach, and may seek to undertake a Judicial Review to oppose franchising.

The Forward Plan for the Bus Reform Task Force was noted. This would ultimately result in a Mayoral decision, following consideration of the strategic, economic, commercial financial and management cases. There would be a survey of bus users and non-users in December, and discussions were ongoing with bus operators, local authorities at a district level and bus user groups. The full Business Case would be available at the end of June 2020. In response to a Member question, it was confirmed that the current contracts ran for 12 months, so there would be no issues with terminating contracts.

Graham Bampton presented an update on Cambridgeshire Autonomous Metro (CAM), setting out the need for this project and the plans for taking it forward over the next 12 months. The Mayor had stated that CAM was not a series of individual projects, but an enabler for the whole of the region in terms of growth and jobs. The region was experiencing extraordinary growth, not just in and around the cities and towns, but also new communities such as Northstowe and Alconbury Weald, which was resulting in huge investment in jobs and housing. The CPIER (Cambridgeshire & Peterborough Independent Economic Review) identified a whole series of actions to promote growth across the region. The key objectives and timelines for the programme over the next 10-15 years were noted, aimed at promoting economic growth and opportunity, and the acceleration of housing delivery. The key to success underpinning all of these objectives was a viable public transport network.

Arising from the presentation:

- A Member asked what Business Board Members could do to support the CAM project. Graham explained that in addition to the technical elements, there was a whole series of softer issues around the wider community, including the business community. It was agreed that Graham would come back and provide a more formal response. **Action required.**
- A Member asked if there were any projects similar to CAM being undertaken elsewhere in the UK. Graham advised that a number of transport authorities were looking at similar types of technologies, particularly the Metropolitan Mayors, and many of these areas had in the past gone for tram based solutions - trackless tram technology was seen as a halfway house. Globally, a similar initiative had been announced in Australia.
- A Member asked how the overground elements would integrate with the work of car manufacturers. Graham explained the potential for both public or private autonomous transit. In 10-20 years' time, all vehicles would be communicating with each other, and the whole smart city concept was being developed at the moment. To enable level 5 autonomy, smart infrastructure needed to be involved from the outset. Public autonomous networks provided a semi-controlled environment. He

outlined how CAM may proceed in the longer term, depending on the emerging technologies.

It was resolved to:

Note the update.

110. BUSINESS ADVISORY PANEL UPDATE – OCTOBER 2019

The Business Board considered an update on the Business Advisory Panel. For the benefit of new Members, officers explained how the Business Advisory Panel (BAP) had been formed to provide the Business Board with independent advice and recommendations from representatives of the business community. The BAP was keen to add weight to the messages the Business Board wants to send to central government. It was proposed that Cambridge Network and Cambridge Ahead be invited to join the BAP, to strengthen the Business Board's communication channels with local businesses.

Whilst welcoming the addition of Cambridge Network and Cambridge Ahead, a Member suggested inviting some of the industry specific groups, to add extra diversity. Officers advised that this discussion had been had at the BAP, and it was feared that there was a risk of adding some sectors but omitting others. It was acknowledged that there was also a risk of a Cambridge bias.

A Member observed that Cambridge was very well networked, but the rest of the county less so. Officers commented that they were conscious of gaps, especially in Peterborough. It was agreed to invite Cambridge Network and Cambridge Ahead to join the BAP but to review the potential for a further expansion of membership at a later date.

There was a discussion on how the Business Board could best utilise the BAP. It was agreed that there would be a discussion at the next Business Board meeting on what the Business Board expected the BAP to feed in, and the Chairman agreed to lead on this. **Action required.**

It was resolved to:

- a) note the minutes of the Business Advisory Panel meeting held on 15th January 2020;
- b) Approve the amended Terms of Reference for the Business Advisory Panel (Appendix 2 to the report);
- c) Agree that Cambridge Network and Cambridge Ahead should be invited to be members of the Business Advisory Panel.

111. LOCAL GROWTH FUND PROGRAMME MANAGEMENT REVIEW – JANUARY 2020

Members considered a report on the nine projects in the delivery phase of the Local Growth Fund programme, and the nine approved projects which were being negotiated

in terms of pre-contract or funding agreement, in advance of delivery, with a total value of £15.97M. The Combined Authority Board had allocated a total of £108.4M of the £146.7M available, and the figures as at the end of the second quarter (31 December 2019) were noted.

The Kings Dyke crossing remained red-flagged, and the Combined Authority's transport and growth fund teams had met with the County Council and had agreed a change request and spend/timetable reprofile as per the terms of the original Grant Funding agreement. Wisbech Access Strategy was amber-flagged, but all parties were very close to signing a Grant Funding agreement. Lancaster Way Phase 2 Grant was also amber-flagged, due to a delay in the feasibility study, but expenditure was still expected on time. The report also showed the current live enquiries pipeline, with 18 full applications resulting from 35 expressions of interest. A number of Small Business Grant applications were also being processed.

NALEP (New Anglia LEP) had contributed a further £1M to the Eastern Agri-Tech Growth Initiative. The first tranche had been allocated and the remainder would be allocated by 31 March 2021. A Member observed that a limiting factor for the Agri-Tech Growth initiative was that it was only available to SMEs. Officers commented that due to State Aid restrictions it was very difficult to give large companies R&D grants, but they would check and confirm that this was still the case. **Action required.**

A Member asked if the Red, Amber, Green criteria could be circulated. It was noted that this RAG rating was mainly based on spend and milestones of projects as contracted, and conditions were also imposed and monitored e.g. detailed breakdowns of activities are requested. It was acknowledged that the primary reporting mechanism to Business Board was on expenditure, and in future rounds a more qualitative/Value For Money (VFM) approach would need to be taken. Officers were currently working with the West Country Combined Authority and two other LEPs to see how they assess and monitor VFM. Many projects were tangible i.e. bricks and mortar, so were more straightforward to assess, but factors such as jobs created and other benefits also needed to be monitored.

A Member asked how far the Combined Authority could intervene in a positive fashion, rather than just take remedial action. It was noted that there were many clauses in the grant funding agreements enabling officers to take remedial action, but there were limits to how far an interventionist approach could be taken, as ultimately these were other organisations' projects. However, conditions could be stipulated and grants returned if these conditions were not met.

A Member observed that the rules on State Aid were very much driven by the EU, and suggested that the Chairman ask BEIS what their plans were, post-Brexit, to relax the State Aid rules. **Action required.**

It was resolved to:

- a) Recommend all the programme updates outlined in the paper to the Combined Authority Board;

- b) Note the submission of the Growth Deal monitoring report to Government to the end of Quarter 2 2019/20.

112. LOCAL GROWTH FUND PROJECT PROPOSALS – JANUARY 2020

The Business Board considered a report on sixteen applications that had been submitted for Growth Fund funding. There was £38.3M of government funding remaining to be allocated. New Members were advised that in addition to internal and external assessments, Entrepreneurs Assessment Panels had been set up as a working group of the Business Board to review presentations made by applicants and produce scores and summaries for each applicant. The results of these assessments were summarised in the Applicant Assessment Summary, which ranked the schemes.

With regard to the interests declared by individual Board Members at the beginning of the meeting, it was noted that those individuals could stay in the meeting for the other applications, as decisions on whether to proceed on individual applications did not impact on other applications.

(John T Hill, Councillor Holdich and James Palmer withdrew from the meeting)

Presenting Application 1, officers outlined the proposal, including the job creation, risks, detail of the equity investment required (£12.5M). This project was recommended for approval, subject to conditions.

A Member asked whether the applicant would be able to find individuals with the appropriate skill sets in Peterborough, noting the difficulties experienced by employers in the city. It was accepted that a well-established Higher Education partner needed to be identified, who had experience with these types of issues from other areas. It was noted that the Business Board had previously received reports and presentations on the University of Peterborough, which would offer a predominantly technical rather than a traditional academic curriculum.

In terms of process, it was stressed that the Entrepreneurs Assessment Panels were a key part of the assessment process, and could radically change the ranking of projects. In addition, the Chairman stressed that it was ultimately within the Business Board's powers to change the ranking order when recommending schemes to the Combined Authority Board.

(John T Hill, Councillor Holdich and James Palmer rejoined the meeting)

The second application, from a private, manufacturing company, was for the relocation of a 3D centre of excellence. This project had been deferred at the last Board meeting and the applicant had submitted a totally new application with a changed emphasis. A grant of £1.875M was sought, which would be matched by selling the existing centre. The project had scored well, and would support the creation of 210 jobs, and its supply chain was predominantly local. Most of the risks had been mitigated, and were not considered high. Observing that the dominant funding was from a third party, a Member asked if more stringent conditions and security could be applied. It was confirmed that a very detailed Grant Funding Agreement would apply which would

cover the Combined Authority's interests. It was further noted that as this was a grant, there would be no charge over the asset.

On this application and on a number of other applications, a Member observed that the estimates of job creation varied, sometimes significantly, between the different documents. Officers explained that estimates did tend to vary between the initial Expression of Interest and full application, especially as some figures given were cumulative. The differences could be due to the refinement of figures or the inclusion of the multiplier effect in the totals given, but were likely to be conservative estimates. It was confirmed that both Expressions of Interest and full applications were based on the hurdle rates, but even if there were any errors in this information, it would not affect the overall score, as long as the reduced number still met the hurdle rate. Officers agreed to check the detail of the job estimates for this application and provide the detail to Rebecca Stephens. **Action required.**

The third application was rejected following the independent evaluation, as it appeared to be undeliverable currently. However, it was noted that the applicant had given a fantastic presentation to the Entrepreneurs' Assessment Panel and had been given the option of reapplying at a later date.

Application (4) was for a Skills facility in March, and the applicant was Cambridgeshire Skills, which was part of the County Council. The facility would offer pre-skills training and Level 1 and 2 skills, and the grant would be to fit out buildings that were currently underutilised and fit them out as workshops and training facilities. Cambridgeshire Skills currently delivered some of the Adult Education Budget activity, and this would complement that offer. Clarification was required on the State Aid compliance issue, but skills training was usually State Aid exempt.

The fifth project was for an Innovation Centre to the west of Cambridge. A £3M grant was required and 380 jobs would be created. Noting that there was a £10M funding shortfall, a Member asked why the applicant was not able to fund the whole project. Officers explained that Innovation Centres notoriously had viability issues in terms of rents, and this was seen more as a strategic investments: projects such as incubators tend not to be profitable, but there was an acute shortage of incubator space in this location. Officers confirmed that they were actively trying to find incubator space in Peterborough and the Fens.

In response to a Member question, officers advised that this application could not be agreed as an equity investment, as that would require a different project proposal. However, the Business Board could choose to reject applications and recommend that applicants reapply in a different way. The Chairman stressed that the Business Board's role was to determine the strength of deliverables, rather than identify schemes which would produce a return. It was noted that changes could be made to the way the Business Board processes and assesses Local Growth Fund applications going forward. In terms of the mechanisms currently used, these had been agreed by the Business Board, and the assessment criteria was available on the website. It was confirmed that applicants had the option to either apply for a loan, grant or equity.

Application (6) was for Business Space in Fenland, and the applicant was Fenland District Council, to develop 900m² scale up space. This application had been positively received, and the only potential issue was the State Aid issue.

(John Holdich left the meeting)

The seventh application was an equity application for a Smart Manufacturing Association. The projected benefits of this investment, in an area where there were no really strong networks, were noted.

(John Holdich rejoined the meeting)

Application (8) was for Cambridge Biomedical Growth Space, and the application was from two developers developing a multi occupancy building, with small spaces for individual start-ups and medical research. The application did reference the viability gap, given that it was a multi occupancy building, and there could potentially be numerous dead spaces in between lets. Independent State Aid advice had already been sought and approved. A Member commented that again, there was considerable variability between the figures given for job creation, and officers agreed to review this in future for future rounds of applications.

Application 9 was for a new HQ building, with the vacated building to become a Life Sciences Incubator. It was located to the south of Cambridge in prime Life Sciences territory. The applicant was an employee owned company. It was confirmed that if the new building was not built, there would be a condition to clawback the grant. It was also acknowledged that Incubators, Cambridge and Life Sciences were disproportionately represented in the applications received, this despite targeted active prospecting through the calls and Officers in other geographic areas and types of project. It was confirmed that it would be possible to target geographic areas and projects more narrowly by focussing the next call for projects and changing the weighting and the scoring system.

(Jason Mellad withdrew for the following application)

The tenth application was for equity funding for a Life Science Start up Accelerator. It had been considered by the Business Board at their November meeting, but deferred pending questions on the Management fees, which appeared to be very high, and governance issues. The applicant had now provided this information, breaking down their costs and demonstrating management costs were around 4%, and support costs 3%. The real question had been the 20% lift off for companies who get funding, which the applicant had advised was quite standard for this type of fund. In terms of the governance structure, it was unusual for the Investment partner to sit on the partner committee.

Having sat on the EAP, the Chairman advised that the mechanics of this bid were very impressive, but he still had concerns around the fees, which effectively totalled £3M management fee. It was agreed that the decision on this application would be delegated to the Director of Business and Skills in discussion with the Chairman and Vice Chairman. Officers advised that it was a well-trodden path for LEPs to use equity to contribute to smaller, more risky ventures, but it was noted that in this case, the

probability of the outcomes being delivered were quite high. It was noted that the applicant had secured a further funding partner since the application had been considered at the Business Board meeting in November. It was agreed that this would be delegated with a view to renegotiating an appropriate scale of management fee, and the outcome of those discussions would be circulated to Business Board Members for information. Nitin Patel indicated that he was keen to be involved in those discussions.

(Jason Mellad rejoined meeting)

The eleventh project was for a Logistics Launchpad, adjacent to the A14/A1 intersection. The risks were assessed to be relatively low, although Planning Permission still had to be granted on the site. The size of the building and plans for its use were noted. The recommendation for this project was to approve but to make a reduced offer of £2.4M, and the applicants had indicated that they would be happy with that outcome. Although the application stated that the infrastructure for the building could be in place before the end of March 2021, there were doubts as to whether this was achievable.

One Member commented that it was notable that this project was scored the lowest by the EAP, because although the presentation itself was good, there appeared to be little substance behind the application. However, this proposal had many positives, including its focus on apprenticeships and location.

(Austen Adams left the meeting for the following application)

The twelfth application was a Manufacturing Launchpad in Chatteris. The application was for a £3.16M contribution to a project costing just over £4M. The report recommendation was to approve, subject to Planning Permission. It was observed that a 78% contribution was being sought, instead of 50/50. It was confirmed that the proposal was sufficiently different to the South Fens Business Park, which housed light industrial units. This would be a much larger operation, including an apprentice school, and organisations had already expressed interest in moving to the site. A Member spoke favourably about the application, and commented that there should be more projects of this sort coming forward. It was observed that there was some potential synergy between this project and applications 6 and 7, and it was agreed that these projects needed to be joined up in a concerted way. Another Member observed that applications 12 and 13 were both based in Chatteris, which was quite a small community. The Mayor commented that historically the LEP failed through not investing in all areas of the county, but by focusing primarily on those areas which were already successful, such as Cambridge, rather than on the less successful parts of the County. This application focused on an area of deprivation which had relied on a single industry for many years, and approving this application would be investing in a company that had a good track record, which had invested in the town and was looking to continue to do so. A Member commented that it was also about improving the quality of life for residents across Cambridgeshire, which should be a key consideration when assessing applications.

(Austen Adams rejoined the meeting)

The thirteenth project was for an Aero composite centre of excellence, relocating to Chatteris from Huntingdon. Officers outlined the different phases and elements of the project. It was noted that although the original application was for £2M funding, the proposed offer was for £1.4M.

Application (14) was for the College of West Anglia to create a construction careers hub for construction apprenticeships, by redeveloping part of their site. The project had been flagged as medium risk by external evaluators, as the College was only putting in the value of the land. The type of training was specific, and Fenland District Council was keen to train recruits in modular building skills.

The fifteenth application related to the A428 Cambourne to Cambridge transport project. The project had been through the LGF evaluation processes and that as a result of the scoring from this independent evaluation from external appraisers and the business focused evaluation process (Entrepreneurs Assessment Panel) this proposal was recommended to be deferred for funding, but the Business Board after discussion decided to not recommend for funding based on achieving lower scores than majority of other projects.

The final application had been withdrawn by the applicant.

It was resolved to:

- a) Recommended to the Combined Authority Board approve funding for the projects ranked 1, 2, 4, 5, 6, 7, 8, 9, 12 and 14 in the table at paragraph 2.8 of the report based on achieving highest scoring criteria and external evaluation recommendation;
- b) Recommended that the Combined Authority Board approve a revised grant funding offer for the project ranked 11 in the table at paragraph 2.8 in the report of £2,400,000;
- c) Recommended that the Combined Authority Board approve a revised grant funding offer for the project ranked 13 in the table at paragraph 2.8 in the report of £1,400,000;
- d) Recommended that the Combined Authority reject project ranked 15 in the table at 2.8 in the report;
- e) Recommended that the Combined Authority decline projects ranked 3 and 16 in the table at paragraph 2.8 in the report based on the scoring criteria for project 16, as this is the lowest scored project, and the external evaluation recommendation on project 3;
- f) Recommend that the Combined Authority delegate authority to the Director of Business and Skills to renegotiate the management fee proposed by the applicant of project 10. Recommend that the Director of Business and Skills, in consultation with Cllr Count as Lead Member for Finance, be granted delegation

to approve project ranked 10 upon completion of satisfactory renegotiation of the management fee proposed and due diligence.

(Aamir Khalid left the meeting)

113. LOCAL GROWTH FUND MONITORING AND EVALUATION PLAN

The Business Board considered a report on the Local Growth Fund Monitoring and Evaluation Plan. It was noted that the Framework for this report was approved by the Combined Authority Board in March 2019 and presented to the Business Board in September 2019. Monitoring and evaluation was a critical component of the Business Board's performance management regime, and was required by, and shaped by, the Department for Business, Energy & Industrial Strategy (BEIS) and other relevant government departments. The first phase of the Plan was to *evaluate* historical projects, whilst the second phase focused on current projects in live delivery.

A Member asked how the Plan related to the Local Industrial Strategy. It was noted that only the second phase could be assessed against the Local Industrial Strategy, as the LIS was not in place when the first tranche of projects had been instigated.

It was resolved to:

1. Recommended to the Combined Authority Board the incorporation of the proposed Local Growth Fund Monitoring and Evaluation Plan into the Monitoring and Evaluation Framework and to grant the Monitoring Officer delegated authority to make any consequential amendments required to the Monitoring and Evaluation Framework;
2. Note the resource implications for effective Monitoring & Evaluation to be delivered.

114. HIGH GROWTH SMALL AND MEDIUM-SIZED ENTERPRISES OBSERVATORY

The Business Board considered proposal to establish an Observatory Function, to monitor the local business environment and identify high growth SMEs as target clients for the new Business Growth Service.

A Member asked if there was evidence that this approach was working elsewhere. Officers advised that this was a well-trodden path across Europe, with a specific focus on high growth, rather than start-up companies. It was confirmed that the focus would be on both local companies and attracting suitable companies from outside the Cambridgeshire and Peterborough area.

It was resolved to recommend to the Combined Authority Board to:

- a. Note and approve the proposals to create the Observatory which will act as a Research, Analytical and Market Intelligence function to identify the Combined Authority's target clients at a total cost of £80,000 subject to the following:

- b. Approve the reprofiling of £80,000 from the 19-20 LEP Capacity Funding budget to cover the costs of the High Growth SME Observatory in 2020/21 and 2021/22.

(Nicki Mawby left the meeting)

115. OXCAM-WIDE BUSINESS SUPPORT STRATEGIC OUTLINE BUSINESS CASE – REQUEST FOR FUNDING

An update was presented on the development of plans to design, and request central government funding for, an Arc-Wide Business Support Programme that included a range of support similar to that proposed with the Combined Authority Growth Service. Members noted the individual aspects, many of which were similar to those already established by the Combined Authority, e.g. Skills Brokerage Service and an Inward Investment Service, and a Commercial Premises Fund, similar to the way in which the Combined Authority used its Local Growth Fund to leverage private investors to create incubators. Whilst some elements being proposed had merit, because of the value for money considerations i.e. where the Combined Authority already had services set up, it was proposed that the £30,000 being requested was targeted to the Inward Investment Service.

Tina Barsby expressed disappointment that Agritech did not feature in OxCam priorities, despite the importance of that sector to the area. Doubts were also expressed by Members on the government ambition to secure more homes in the region through rail links etc, which were likely to take a long time to materialise.

It was resolved unanimously to:

- (a) Approve the allocation of £30,000 from the existing LEP Capacity Funding budget line, to contribute to the £120,000 of costs to produce a suite of Strategic Outline Business Cases, requesting funding from Government, as part of the Comprehensive Spending Review, to finance an Arc-Wide Business Support Programme. Subject to:

- i. The funding being used only for the production of the Strategic Outline Business Case for the Arc-wide Inward Investment Service, which is considered likely to be the most attractive to Government and produce the greatest additional impact, above and beyond, that generated by the planned services within the Combined Authority's own Growth Service.
- ii. The service providers being procured to produce the Strategic Outline Business Case being committed to produce a full form Strategic Outline Business Case document to Treasury Green Book standards by the end of March 2020.
- iii. The ambition of the service being set at a level capable of growing the Arc to challenge other global innovation-growth centres such as San Francisco, Seoul, Singapore and Toronto. To achieve this the ambition of the value of the "ask" to Government should be in excess of at least four times the £4m

the Business Board has already committed to its own Inward Investment Service.

- (b) Delegate the Chief Officer for the Business Board authority to negotiate these terms with the three LEPs co-funding the £120,000 of costs and making up the OxCam Arc, alongside the Combined Authority. Specifically, to focus investment on the production of a Strategic Outline Business Case for the service(s) with most economic impact for the Cambridgeshire & Peterborough economy, measured in GVA growth and productivity improvement.

116. BUSINESS BOARD STRATEGIC FUNDS UPDATE

The Business Board considered an update and overview of the revenue funding lines that are within the Business & Skills Directorate to assist the Board to enable informed decision making regarding the expenditure of these funds.

It was resolved to:

- a) Note the update and financial position relation to the revenue funding lines under the control of the Business Board.

117. THE STRATEGIC ROLE OF THE ADULT EDUCATION BUDGET IN DELIVERING THE LOCAL INDUSTRIAL STRATEGY

It was agreed to defer this report.

118. BUSINESS SUPPORT SERVICES – PROMOTIONAL CAMPAIGN 2020-21

The Business Board considered proposals for a proactive promotional campaign for 2020-2021, aimed at raising the profile of all Business & Skills services, and creating a strategy which maintained this improved profile and attracted an increased level of engagement from the business community.

The Chairman indicated that he was keen for Business Board members to be actively involved in this process. Faye, Rebecca and Al all indicated that they would be happy to be involved in a sub-group working on this issue. **Action required.**

It was resolved unanimously to:

- (a) Note the requirement to improve the profile of the full range of services and related value propositions across the Business & Skills Directorate;
- (b) Approve the planned activities detailed within the Promotional Campaign (Appendix 2 of the report);
- (c) Note the revised budget re-allocations as detailed in Section 6.2 of the report;

- (d) Note the subsequent benefits of mobilising this campaign alongside the launch of the Business Growth Service.

119. BUSINESS BOARD HEADLINES FOR COMBINED AUTHORITY

The Chairman would be attending the Combined Authority Board meeting on 29th January.

120. FORWARD PLAN

Board Members noted the forward plan. On a general point, it was agreed that if there were going to be presentations at Business Board meetings, these would be circulated beforehand.

It was resolved to note the Forward Plan.

Chairman