



THE BUSINESS BOARD

PRIVATE MEETING

Monday, 24 September 2018

2.45p.m (or at close of former Business meeting whichever is soonest) –
4:30p.m.

Location:

Cambridgeshire County Council, Kreis Viersen Room, Shire Hall, Castle St,
Cambridge CB3 0AJ

AGENDA

Number	Agenda Item	Chair/ Lead Member/ Chief Officer	Paper s	Pages
1.	Part 1 – Governance Items			
1.1.	Apologies and Declarations of Interests	Monitoring Officer	Oral	-
1.2.	Appointment of Chair and Vice Chair of Business Board	Monitoring Officer	Yes	4 - 8
1.3.	Terms of Reference & Constitutional Arrangements	Chair	Yes	9 - 25
1.4.	Forward Plan	Chair	Yes	26 - 35
1.5.	Government review of LEPs - Strengthened Local Enterprise Partnerships	Chair	Yes	36 - 69
2.	Part 2 –Strategy/Policy			
2.1.	Cambridgeshire and Peterborough Independent Economic Review (Final)	Mayor	Yes	70 - 73

Number	Agenda Item	Chair/ Lead Member/ Chief Officer	Papers	Pages
2.2.	Assurance Framework	Chair	Yes	74 - 98
2.3.	Growth Prospectus	Chair	Yes	99- 121
3.	Part 3 – Funding and Growth Fund			
3.1.	Growth Funds Update	Chair	Yes	122 - 127
	Part 4 – Date of next meeting			
4.1	Date: 26 November 2018 – 2.30pm to 4.30pm Council Chamber, Fenland Hall, County Road, March, Cambs, PE15 8NQ	Chair	oral	-

Membership

The Board currently comprises

Public Sector Members

Name	Position	Body
James Palmer Substitute Cllr Steve Count	Mayor	Cambridgeshire and Peterborough Combined Authority
Cllr Charles Roberts Substitute Councillor Anna Bailey	Deputy Mayor and Portfolio Holder for Economic Growth	Cambridgeshire and Peterborough Combined Authority

Private Sector Members

Member	Sector	Organisation
Austen Adams	Advanced Manufacturing	Stainless Metalcraft/Peter Brotherhood
Douglass Cuff	Life Sciences and Healthcare	BioMed Realty
William Haire	Agri-tech	East of England Agricultural Society
Aamir Khalid	Advanced Manufacturing	The Welding Institute (TWI)

	and Skills	
Mark Dorsett	Advanced Manufacturing	Perkins Engines/ Caterpillar UK
Andy Neely	Education	University of Cambridge
Tina Barsby	Agri-tech	NIAB

The Business Board is committed to open government and supports the principle of transparency. With the exception of confidential information, agendas and reports will be published 5 clear working days before the meeting. Unless where indicated, meetings are not open to the public. For more information about this meeting, please contact Dawn Cave at the Cambridgeshire County Council on 01223 699178 or email dawn.cave@cambridgeshire.gov.uk .



BUSINESS BOARD	AGENDA ITEM No: 1.2
24 SEPTEMBER 2018	PUBLIC REPORT

MEMBERSHIP AND APPOINTMENT OF CHAIR AND VICE CHAIR

1. PURPOSE

- 1.1. The Business Board prior to this meeting was asked to agree the membership of the Business Board following a recruitment campaign and interview process.
- 1.2. The Business Board is asked to appoint a Chair and Vice Chair.

<u>DECISION REQUIRED</u>	
Lead Member:	N/A
Lead Officer:	Harriet Fear, Interim Director of Business and Skills, Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: N/A	Key Decision: No
<p>The Business Board is recommended to :</p> <p>(a) Note the membership of the Business Board shall comprise up to 10 members as follows: 1) Two public sector members 2) Eight private sector members</p> <p>(b) Note the appointments made by the Business Board at the meeting prior to this meeting, (to be reported orally) for a period of 3 years until September 2021.</p> <p>(c) Appoint a Chair and Vice Chair of the Business Board for a period of 3 years until September 2021.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

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2. MEMBERSHIP

- 2.1. Prior to a recruitment campaign, the Business Board agreed that the membership of the Business Board should comprise:
- (a) Two public sector members
 - (b) Eight private sector members.

Public Sector Representatives

- 2.2. In accordance with the Business Board constitution, the Mayor and the Portfolio for Economic Growth of the Combined Authority shall be a member of the Business Board by virtue of their office. The Combined Authority may appoint at least one substitute member to act in their absence.
- 2.3. The Devolution Deal stated that the Mayor will be a member of the Local Enterprise Partnership (LEP), alongside the other members of the Combined Authority, recognising the importance of the LEP role and the private sector in growth strategies or delivery.
- 2.4. The public sector members and substitute members are

Member			Substitute Member
James Palmer	Mayor	Cambridgeshire and Peterborough Combined Authority	Councillor Steve Count, Portfolio Holder for Investment and Finance
Councillor Charles Roberts	Economic Growth Portfolio Holder	Cambridgeshire and Peterborough Combined Authority	Councillor Anna Bailey, Cambridgeshire and Peterborough Combined Authority substitute for Councillor Roberts

- 2.5. The term of office of **public sector** members and substitute members appointed by the Combined Authority is at their discretion; the Combined Authority Board may terminate their appointment or appoint a replacement representative at any time, to take effect on receipt of a notice by the Combined Authority's Legal Counsel and Monitoring Officer.

Private Sector Representatives

- 2.6. Following a recruitment campaign and interviews by an interview panel, the interim Business Board which met just prior to this meeting was asked to agree

the following private sector appointments. The former Business Board's decision will be reported orally.

2.7. The Board was asked to note the proposed membership as follows

Member	Sector	Organisation
Austen Adams	Advanced Manufacturing	Stainless Metalcraft/Peter Brotherhood
Douglass Cuff	Life Sciences and Healthcare	BioMed Realty
William Haire	Agri-tech	East of England Agricultural Society
Aamir Khalid	Advanced Manufacturing and Skills	The Welding Institute (TWI)
Mark Dorsett	Advanced Manufacturing	Perkins Engines/ Caterpillar UK
Andy Neely	Education	University of Cambridge
Tina Barsby	Agri-tech	NIAB

2.8. On appointment Board members are required to sign a declaration affirming their understanding and commitment to the Code of Conduct.

2.9. Within the period of 28 days of the appointment being made to the Business Board, the Business Board must publish a notice on the Combined Authority's website which:

- (a) states that it has made an appointment;
- (b) identifies each Business Board member who has been appointed and any substitute members; and
- (c) specifies the term of office of those appointed
- (d) Publish the members' and substitute members' register of interest form.

2.10. The term of office for **private sector representatives** will normally be a maximum of 3 years, and subject to a maximum of three consecutive terms. unless:

- (a) they cease to qualify to be a member of the Business Board;
- (b) they resign from their membership and communicate this in writing to the Legal Counsel and Monitoring Officer; or
- (c) the Business Board terminates the membership of any private sector representative which it may do at any time.

2.11. In accordance with Government guidance, Strengthening Local Enterprise Partnerships published in July 2018, the Business Board should aim to Improve the gender balance and representation of those with protected characteristics on its board with the following aims:

- (a) that women make up at least one third of Business Board by 2020
- (b) with an expectation for equal representation by 2023, and
- (c) ensure its Board is representative of the businesses and communities they serve.

3. APPOINTMENT OF CHAIR AND VICE CHAIR

- 3.1. The Business Board is required to appoint a private sector representative as Chair and Vice Chair.
- 3.2. The Chair and Vice Chair should be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the Business Board's diversity statement, Government Guidance and the Nolan Principles.
- 3.3. The terms of the appointment will be set out in an appointment letter from the Combined Authority to the Chair and Vice Chair. A person ceases to be Chair or Deputy Chair if they cease to be a Business Board member. It is proposed that the Chair and Vice Chair of the Business Board be appointed for a period of 3 years until September 2021.
- 3.4. The Chair will be a voting member of the Combined Authority Board. The Vice Chair will be a non-voting member of the Combined Authority Board except when substituting for the Chair.

FUTURE APPOINTMENTS TO THE BOARD

- 3.5. Members will note that there is a report elsewhere on the agenda asking the Board to agree its constitution. It proposes that any future appointments be made by an appointments panel.

4. FINANCIAL IMPLICATIONS

- 4.1. There are no financial implications

5. LEGAL IMPLICATIONS

- 5.1. The Devolution Deal stated that the Mayor will be a member of the LEP, alongside the other members of the Combined Authority, recognising the importance of the LEP role and the private sector in growth strategies or delivery.(Page 7).

6. SIGNIFICANT IMPLICATIONS

6.1. None at this stage

7. APPENDICES

7.1. None

Source Documents

List background papers:

Cambridgeshire and Peterborough Devolution Deal

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/600239/Cambridgeshire_and_Peterborough_Devolution_Deal.pdf

Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

<https://www.gov.uk/government/news/government-proposes-shake-up-of-local-enterprise-partnerships>



THE BUSINESS BOARD

BUSINESS BOARD	AGENDA ITEM No: 1.3
24 SEPTEMBER 2018	PUBLIC REPORT

TERMS OF REFERENCE AND CONSTITUTIONAL ARRANGEMENTS

1. PURPOSE

- 1.1. The Business Board is asked to agree its terms of reference and governance arrangements.

<u>DECISION REQUIRED</u>	
Lead Member:	Chair of Business Board
Lead Officer:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: N/A	Key Decision: No
The Business Board is recommended to: (a) Agree the terms of reference of the Business Board and constitutional arrangements (Appendix 1).	Voting arrangements Simple majority of all Members

2. BACKGROUND

- 2.1. The terms of reference and constitutional arrangements, as set out in Appendix 1, must comply with the best practice guidance issued by the Ministry of Housing, Communities & Local Government.
- 2.2. Although the drafting of the constitution has taken into account the Government's review of Local Enterprise Partnerships, Strengthening Local Enterprise Partnerships reported elsewhere on this agenda, it may need to be further reviewed later in the year following the outcome of that review and any further Government guidance.

3. FINANCIAL IMPLICATIONS

3.1. There are no financial implications.

4. LEGAL IMPLICATIONS

4.1. The constitutional arrangements must comply with the Local Enterprise Partnership governance and transparency: best practice guidance issued by the Ministry of Housing, Communities & Local Government. The Guidance support Local Enterprise Partnerships (LEPs) in meeting the recommendations made by the review into Local Enterprise Partnership governance and transparency, commonly known as the Mary Ney review.

5. SIGNIFICANT IMPLICATIONS

5.1. Not applicable.

6. APPENDICES

6.1. Appendix 1 - Terms of reference and Constitutional arrangements

<u>Source Documents</u>
List background papers: https://www.gov.uk/government/publications/local-enterprise-partnership-governance-and-transparency-best-practice-guidance https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency

Chapter 8 – Business Board

Part 1 – Functions and Membership

1. Governance

- 1.1. Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the Department of Business Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.
- 1.2. The Business Board is a non-statutory body which is the Local Enterprise Partnership for its area. It is independent of the Combined Authority operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.

2. Current Geographical area (under review)

- 2.1. The current geographical area is under review. The Department for Business Enterprise and Industry are considering proposals for a coterminous boundary with the Combined Authority.
- 2.2. The geographical area of the business Board is set out in the table below:

District	Areas	Council
Cambridgeshire		Cambridgeshire County Council
Cambridge		Cambridge City Council
East Cambridgeshire	Ely, Littleport and Soham	East Cambs DC
Fenland	Wisbech, March Whittlesey & Chatteris	Fenland DC
Huntingdonshire	Huntingdon, St Ives & St Neots	Huntingdonshire DC
South Cambridgeshire	Cambourne	South Cambs DC
Peterborough		Peterborough City Council
North Hertfordshire	Royston	North Hertfordshire DC'
South Kesteven (Lincs)	Grantham, Stamford, Bourne and Market	South Kesteven DC

	Deeping.	
Rutland	Oakham	Rutland County Council
St Edmundsbury (W Suffolk)	Bury St Edmunds and Haverhill	St Edmundsbury Borough Council
Forest Heath (W Suffolk)	Newmarket & Mildenhall	Forest Heath District Council
Uttlesford (Essex)	Saffron Walden, Great Dunmow, Stansted Mountfitchet and Thaxted,	Uttlesford DC
West Norfolk & King's Lynn	Spalding, Crowland, Donington, Holbeach, Long Sutton and Sutton Bridge	BC of King's Lynn and West Norfolk
South Holland (Lincs)		South Holland DC

3. Functions

- 3.1. In Mayoral combined authorities, there will be a single local Industrial Strategy led by the Mayor and supported by the Local Enterprise Partnership. The Mayor will work in partnership with the Business Board to jointly develop and agree the strategy¹.
- 3.2. The Business Board has a vital leadership role to play, and is responsible for delivering the Local Industrial Strategy, which should provide the basis for investment decisions for the Cambridgeshire and Peterborough Combined Authority as the accountable decision-making authority.
- 3.3. The Business Board will allocate local growth funds to improve economic opportunity in the area and will monitor the delivery of funded projects.
- 3.4. Working in conjunction with the Combined Authority the Business Board will develop initiatives to address the local skills challenges and will play a key role in developing the University of Peterborough as an employer focused provider of higher education.
- 3.5. The Business Board will act as an enabler for delivery of sector deals at local level
- 3.6. The Business Board will support applications for the Industrial Strategy Challenge Fund programme and will work collaboratively with the Combined Authorities universities, businesses and research organisations to produce programmes which impact productivity

¹ See Industrial Strategy: Building a Britain fit for the future, DBE&IS 27 November, 2017

- 3.7. In accordance with the Single Pot Assurance Framework National Guidance, the Business Board and the Combined Authority Board, as the accountable decision making body, will work to agree a single local assurance framework, and submit it to Ministry of Housing, Communities and Local Government for approval. The Assurance Framework will be reviewed annually.

4. Terms of Reference

- 4.1. The purpose of the Business Board is set out below²:

Strategy:

- (a) In collaboration with the Cambridgeshire and Peterborough Combined Authority, develop and deliver an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- (b) Set strategy and commission interventions to drive growth, jobs and private sector investment to deliver the strategy.

Allocation of funds

- (c) Identify and develop investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- (d) ensure that bids for public funding made available by government for LEPs support economic growth

Co-ordination

- (e) Use its Business convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- (f) ensure Business Board and Combined Authority policy and decisions receive the input and views of key business leaders and take account of the views of the wider business community
- (g) engage with local businesses to understand the needs of different sectors and markets

Advocacy

- (h) Collaborate with a wide-range of local partners to act as an

² These four roles are set out in Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

informed and independent voice for business across their area.

- (i) engage business, opinion formers and policy makers at a national and international level in promoting economic growth in the region.

4.2. In pursuit of this role the Business Board will:

- (a) In collaboration with the Cambridgeshire and Peterborough Combined Authority develop local agreements which clearly set out their respective roles, responsibilities and accountability
- (b) Produce an annual delivery plan and end of year report in accordance with Government guidance,
- (c) Develop, agree and review a joint Combined Authority and Business Board Assurance Framework
- (d) Support the supply of skills to an area as they respond to the Skills Advisory Panels programme
- (e) capture and communicate business requirements for changes to, and development of, economic policy and commission associated appropriate interventions
- (f) work collaboratively with all partners, including the Combined Authority and Local Authorities, to address barriers to growth and drive efficiency
- (g) bring together intelligence and expertise to identify priorities and develop solutions to maximise private sector investment in the local enterprise and combined authority area, and secure sustainable growth
- (h) work to create an environment for business growth ensuring appropriate mechanisms exist through which, as a co-ordinated voice, the private sector can inform and influence the shape and future direction of local and national government policy.

4.3. To ensure the Business Board is effective in this role it has the authority to:

- (a) engage in dialogue with Government and respond to policy, proposals and opportunities to bid for funding in support of economic growth
- (b) engage with investors, businesses and advisors to secure growth opportunities
- (c) develop and consult on regional economic policy, programmes and interventions designed to maximise growth in the region

- (d) provide leadership in key themes and priorities to promote growth
- (e) raise the profile, image, reputation and influence of the Local Enterprise Partnership and Combined Authority area at a regional, national and international level.

5. Legal Status

- 5.1. The Business Board is an informal partnership. It does not have legal status to enter into contracts and will act through the Cambridgeshire and Peterborough Combined Authority as Accountable Body.

6. The Business Board's accountable body

- 6.1. Cambridgeshire and Peterborough Combined Authority ('the Combined Authority') is the accountable body for funding allocated to the Business Board; that is the Combined Authority is responsible to Government for complying with any conditions or requirements attached to any such funding.

7. Role of Members and Accountability

- 7.1. Irrespective of his or her background or geography, it is the duty of a Business Board member to act in the best interests of the Local Enterprise area and in accordance with the policies of the Business Board.
- 7.2. All private sector members of the Business Board act in their individual capacity and not as representatives of their respective organisations.
- 7.3. All Business Board members are expected to discharge their duties in line with the Nolan Principles for Standards of Public Life³ and the Code of Practice for Board Members of Public Bodies⁴. Members must comply with the Business Board Code of Conduct. Political Leaders who are Members of the Combined Authority must also comply with the Business Board Code of Conduct in addition to that of the Combined Authority.

8. Membership

- 8.1. The Business Board membership will comprise up to 10 members; two public sector members and up to eight business representatives as follows:

Public Sector Representatives

- 8.2. The Mayor and the Portfolio for Economic Growth of the Combined Authority shall be a member of the Business Board by virtue of their office. The Combined Authority may appoint at least one Substitute Member to act in their absence. These shall be non-voting members of the Board.

³ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/409604/code-of-conduct_tcm6-38901.pdf

Private Sector Representatives

- 8.3. Up to eight business representatives– one member will be appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one member will represent the education sector and one member will be appointed as an international business representative.
- 8.4. The Business Board membership meets the requirements for two thirds of the Business Board members to be private sector representatives and does not exceed the maximum of 20 members⁵.
- 8.5. Whilst all appointments to the Business Board will be on merit, in accordance with Government requirements, the Business Board will aim to Improve the gender balance and representation of those with protected characteristics on its board with the following aims:
- (a) that women make up at least one third of Business Board by 2020
 - (b) with an expectation for equal representation by 2023, and
 - (c) ensure its Board is representative of the businesses and communities they serve⁶.

9. Recruitment, Appointment and Termination of Private Sector Members

- 9.1. The private sector representatives and the Chair of the Business Board shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the Business Board’s diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Business Board’s appointments panel. ..
- 9.2. Formal appointment panels will be constituted as follows

Position	Panel
Appointment of a Chair	Mayor of Cambridgeshire and Peterborough Combined Authority, the Combined Authority’s Portfolio for Economic Growth plus three private sector Business Board members supported by the Chief Executive of the Combined Authority or his/her nominee
Appointment of private sector board members	Chair and Vice-Chair of the Business Board Mayor of Cambridgeshire and Peterborough Combined Authority or the Combined Authority’s Portfolio for Economic Growth

⁵ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

⁶ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

Vice-Chair (where there is more than one candidate)	Chair of the LEP and Mayor of Cambridgeshire and Peterborough Combined Authority or the Combined Authority's Portfolio for Economic Growth
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Interview panels will be advised by the Director of Business and Skills.

Requirements for Private Sector Representatives

- 9.3. The Private Sector Board members must not:
- (a) be a member, officer of the Combined Authority, or a County Council, Unitary Council, District tier Council within the area served by the Business Board, or otherwise employed under the direction of a local authority;
 - (b) be a non-executive director or officer of an NHS Trust;
 - (c) be subject to a bankruptcy restriction order or interim order;
 - (d) be subject to a sexual risk order or be on the sexual offenders register;
 - (e) be subject to a civil injunction or criminal behaviour order;
 - (f) be disqualified from acting as a director, a charter trustee or charity trustee
 - (g) within 5 years before the date of submission of application, have been a director or person of significant control of a company subject to a creditors compulsory liquidation
 - (h) within 5 years before the date of submission of application, have been convicted of any offence and have had passed on them a sentence of imprisonment, whether suspended or not, for a period of not less than 3 months without the option of a fine
- 9.4. Private Sector Members should not have made substantial personal contributions to any recognised political party, and must not serve as an officer in any recognised political party.
- 9.5. Members should be employed by, or have a substantial interest (by virtue of ownership / control) in businesses in the area served by the Business Board
- 9.6. The Appointments Panel shall appoint the **private sector representatives** to the Business Board following an interview process.
- 9.7. Each private sector representative on the Business Board is appointed in their individual capacity, and not as a representative of their employer or any other organisation. No substitute members will be appointed for private sector representatives.

Appointment

- 9.8. A formal offer will be made to successful candidates. On appointment Board members are required to sign a declaration affirming their understanding and commitment to the Code of Conduct.
- 9.9. Within the period of 28 days of the appointment being made to the Business Board, the Business Board shall publish a notice on its website which:
- (a) states that it has made an appointment;
 - (b) identifies each Business Board member who has been appointed and any substitute members; and
 - (c) specifies the term of office of those appointed
 - (d) Publishing the members' and substitute members' register of interest form.

Term of Appointment

- 9.10. The term of office for **private sector representatives** will normally be a maximum of 3 years, and subject to a maximum of one successive term, unless
- (a) they cease to qualify to be a member of the Business Board;
 - (b) they resign from their membership and communicate this in writing to the Legal Counsel and Monitoring Officer; or
 - (c) the Business Board terminates the membership of any private sector representative which it may do at any time,
 - (d) upon receipt of a vote of no confidence by the Combined Authority Board, the Board must consider whether to terminate the terms of office of the Chair at the next meeting of the Board.
- 9.11. The term of office of **public sector** members and substitute members appointed by the Combined Authority is at their discretion; the Combined Authority Board may terminate their appointment or appoint a representative at any time, to be of effect on receipt of a notice by the Combined Authority's Legal Counsel and Monitoring Officer.
- 9.12. The Business Board may appoint co-opted members as necessary to complement the skills and expertise on the Board. Membership may not exceed 20 members.

10. Chair and Vice-Chair of Business Board

- 10.1. The Business Board will appoint a private sector representative as Chair and Vice Chair.

- 10.2. The Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the Business Board's diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Business Board's appointments panel. The Business Board will consult widely and transparently with the business community before appointing a new Chair.
- 10.3. The terms of the appointment will be set out in an appointment letter from the Combined Authority to the Chair. A person ceases to be Chair or Deputy Chair if they cease to be a Business Board member.
- 10.4. The terms of office of the Chair will be for two (2) years with one successive term permitted upon unanimous vote of the Board members present and voting
- 10.5. The Chair will be a voting member of the Combined Authority Board. The Vice Chair will be a non-voting member of the Combined Authority Board except when substituting for the Chair.
- 10.6. The Business Board shall appoint a vice chair from amongst its membership. A member may only be appointed as vice chair if they have secured membership through an open recruitment process.

11. Code of Conduct and Register of Interests

- 11.1. Every Business Board member must sign and comply with the Business Board member code of conduct.

12. Co-opted Members

- 12.1. Where specific skills or abilities are required which are not available among existing members co-optees may be appointed to the Business Board. The appointment will be made by the Chair, in consultation with the Board, for 12 months. Co-opted members will not have voting rights and will not count towards the quorum. In accordance with Government Guidance, the maximum number of co-opted members should not exceed five.

13. Working Groups

- 13.1. The Business Board may appoint informal non-decision making working groups. Any such subordinate body set up by the Business Board shall include one or more Business Board Members, as nominated by the Board. With the consent of the Chair, any such group may also co-opt onto it any independent person with the relevant expertise - judged against pre-determined criteria - on the issues within the remit of these groups.

- 13.2. The remit and terms of reference for any such subordinate body shall be approved by the Business Board.

14. Scrutiny Arrangements

- 14.1. The Combined Authority's Overview and Scrutiny Committee may review or scrutinise any Combined Authority decision in its role as accountable body for the Business Board. The Combined Authority's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Business Board decision-making and achievements.
- 14.2. Any Business Board member may be asked to attend, or otherwise contribute to, a meeting of the Combined Authority's Overview and Scrutiny Committee.
- 14.3. The Combined Authority's Audit and Governance Committees will also review the local assurance framework and how the local assurance frameworks are operating in practice.

15. Complaints and Whistleblowing

- 15.1. Any complaint received about the Business Board will be dealt with under either the Combined Authority and Business Board's Complaints or Confidential Complaints Policy.
- 15.2. Any complaint about an individual Business Board member alleging a breach of the Code of Conduct will be dealt with in accordance with paragraph 7 above.
- 15.3. Any whistleblowing concerns raised about the Business Board will be dealt with under the Combined Authority and Business Board's Whistleblowing Policy.
- 15.4. Each of these procedures or policies shall be published on the Combined Authority web-site and accessible from the Business Board's web-site.

16. Remuneration

- 16.1. Allowances or expenses shall be payable to any Business Board member, in accordance with a scheme approved from time to time by the Combined Authority.

17. Secretariat Arrangements

- 17.1. In accordance with Government requirement to have a secretariat independent of local government to support the Chair and Board, a S73 Chief Finance Officer and Monitoring Officer has been appointed to advise the Board who is independent of the Cambridgeshire and Peterborough Combined Authority.

18. Local Area Agreement

In accordance with Government requirements for mayoral areas there is a requirement for a Local Agreement between the Business Board and the Combined Authority and the Accountable Body setting out the responsibilities of the Chair, Board and Accountable Body. (To be developed).

19. Amendments to the Constitutional

- 19.1. These terms of reference will be reviewed annually. The Business Board will recommend any proposed changes to the Constitution to the Combined Authority.
- 19.2. The Combined Authority's Legal Counsel and Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:
 - (a) as a result of any government guidance, legislative change or decisions of the Business Board, or
 - (b) to enable the documents to be kept up to date, or
 - (c) for the purposes of clarification only.

20. Publication of constitution and other governance documents

- 20.1. This constitution and other governance documents shall be published on the Combined Authority website and accessible from the Business Board website.

Part 2 – Procedure Rules

1. Meetings

- 1.1. The Business Board shall have at least two public meetings a year to include its Annual General Meeting.
- 1.2. The Business Board will hold annual general meetings open to the public to attend to ensure the communities that they represent can understand and influence the economic plans for the area⁷.
- 1.3. With the exception of 1.1 above, meetings of the Business Board shall not be open to the public unless determined otherwise by the Chair.
- 1.4. An extraordinary meeting of the Business Board may be called by:
 - (a) the Chair of the Business Board; or
 - (b) any two Members of the Committee;
 - (c) the Chief Executive.

⁷ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

2. Agendas and Minutes

- 2.1. Agendas and reports for the Business Board will be available on the Cambridgeshire and Peterborough Combined Authority website at least five clear working days before the meeting to which they relate in accordance with the Transparency rules in chapter 6 of the Combined Authority constitution. Any funding decisions shall be ratified by the Combined Authority as accountable body for the Business Board.
- 2.2. The public may have access to agenda, reports and minutes of public and private meetings except where they are exempt from disclosure under the Freedom of Information Act 2000 (FOIA).

Freedom of Information

- 2.3. Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under the Freedom of Information Act 2000 (FOIA). These papers will be classed as reserved papers.
- 2.4. Likely exemptions that are likely to make information reserved include but are not limited to:
 - Commercial sensitivity
 - Information provided in confidence
 - Personal data
 - Legal professional privilege
 - Information intended for publication at a future date

3. Attendance

- 3.1. Private sector Business Board members who fail to attend a third or more of the scheduled Board meetings in a 12 month period shall be reviewed by the Chair and their membership may be terminated.

4. Quorum

- 4.1. No business is to be transacted at a meeting of the Business Board unless a majority of the total number of Members of the Board are present which should include the majority of private sector members and at least one public sector member.
- 4.2. During any meeting if the Chair counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next ordinary meeting.

5. Decision Making and Voting

- 5.1. Wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chair considers it to be necessary to establish whether a consensus exists.
- 5.2. Each private sector Member of the Business Board is to have one vote and no Member (including the Chair) is to have a casting vote. The public sector members of the Board shall be non-voting members.
- 5.3. The vote will be by way of a show of hands and recorded in the minutes.
- 5.4. Any questions that are to be decided by the Business Board are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

6. Conflicts of Interest

Register of Interests

- 6.1. It is the responsibility of Board members to ensure an up to date Register of Interests is maintained. Each Business Board member must complete and keep up to date a register of interest form required under the code of conduct. The register of interest form will be published on the Combined Authority's website within 28 days from the date of the appointment and is a condition of appointment. A member must within 28 days of becoming aware of any change in their interests provide written notification of this.
- 6.2. It is the responsibility of Board members to declare any interest on any item of business being conducted at a Business Board or working group meeting. Any declarations of interest made by a Business Board member at a meeting and any action taken, (such as leaving the room, or not taking part), will be recorded in the minutes for that meeting. The member should update their register of interest form within 7 days of the meeting if a new interest has been declared.
- 6.3. Any alleged breach of the Business Board member code of conduct will be dealt with under the Combined Authority's Member Complaints Procedure.

Declaration of Interests at a meeting

- 6.4. It is the responsibility of Board members to declare any interest on any item of business being conducted at a Business Board. Where a 'pecuniary interest is declared Members will leave the meeting, where a 'non- pecuniary interest is declared, Members may remain at the meeting but not participate in business in accordance with the Board members' code of conduct.

7. Decisions of the Business Board

- 7.1. The draft minutes of each meeting of the Business Board will be posted on the Combined Authority and Business Board website within 12 clear working days of the meeting taking place. The agreed minutes of each meeting will be published within 2 clear working days after approval at the subsequent meeting.
- 7.2. All decisions of the Business Board will be ratified at the next meeting of the Combined Authority Board. Where the Combined Authority does not agree with the recommendations, they will refer the matter back to the Business Board with the reasons and ask the Business Board to reconsider.

8. Urgency procedure

- 8.1. In order to ensure that the Business Board is able to progress its business in an efficient manner, comments on urgent matters may be sought by the Chief Executive or other Statutory Officer outside the meeting cycle.
- 8.2. Members will receive email notification which identifies:
 - (a) Details of the matter requiring comment and/or endorsement and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to be held to conduct the business);
 - (b) The date responses are required by;
 - (c) The name of the person or persons making or putting forward the proposal/decision
- 8.3. Two working days after the close of responses, the following will be circulated to all Business Board Members:
 - (a) The outcome of the decision taken by Statutory Officers (including responses received in agreement and responses received in disagreement); and the date when any decision comes into effect; and
 - (b) Any mitigating action taken to address Members’ stated views or concerns.

Decisions and actions taken will be retrospectively reported to the next meeting of the Business Board.

9. Forward Plan

- 9.1. The Committee will set its own work programme and its forward plan will be published in accordance with the Transparency rules in [chapter 6](#) of the Combined Authority constitution.

Document Approval

Approving Body or Person	Role (review, approve)	Date
Business Board	Approve	

DRAFT BUSINESS BOARD FORWARD PLAN

TO BE PUBLISHED: 26 OCTOBER 2018

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
	24 September 2018						
1.	Minutes of the Meeting on 23 July 2018	Business Board	24 September 2018	Decision	To approve the minutes of the last meeting as a correct report	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
2.	Membership of the Business Board	Business Board	24 September 2018	Decision	To agree the Membership of the Business Board (private and public members)	Harriet Fear, John Hill, Director of Business and Skills	Chair
3.	Appointment of Chair and Vice Chair of Business Board	Business Board	24 September 2018	Decision	To appoint a Chair and Vice Chair of the Business Board	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
4.	Terms of Reference & Constitutional Arrangements	Business Board	24 September 2018	Decision	To review and finalise constitutional arrangements for recommendation to Combined Authority Board (a) Membership/substitutes (b) Terms of reference, (c) Scheme of Delegation	Kim Sawyer, Monitoring Officer for Combined Authority	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
5.	Government review of LEPs - Strengthened Local Enterprise Partnerships	Business Board and recommendations to Combined Authority	24 September 2018	Decision	To consider and agree proposals in response to government's request that LEPs review their geographic boundaries, to remove overlaps where it is appropriate; and how to improve alignment and collaboration between the LEPs and Mayoral Combined Authorities	Chief Executive/ David Edwards	Chair & James Palmer, Mayor
6.	Growth Funds Update	Business Board	24 September 2018	For information	To provide an update on Growth Funds performance as at 31 August 2018	Harriet Fear, Interim Director Business and Skills	Chair
7.	Growth Prospectus	Business Board	24 September 2018	Key Decision	To consider and agree the draft Growth Prospectus and the funding programmes contained within.	Harriet Fear, John Hill Director of Business and Skills	Chair
8.	Cambridgeshire and Peterborough Independent Economic Review (Final)	Business Board and recommendations to Combined Authority	24 September 2018	For consultation	To consider and review the final Independent Economic Review	Harriet Fear, John Hill, Director of Business and Skills Dan Thorp Assistant Director Place	Chair Cllr Charles Roberts, Portfolio Holder for Economic Growth
9.	Assurance Framework	Business Board	24 September 2018	Decision	To agree the single pot assurance framework	Chief Executive, Darren Edey, Compliance Manager	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
10.	Forward Plan	Business Board	24 September 2018	Decision	To note the forward plan	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
	26 November 2018						
11.	Minutes of the Meeting on 24 September 2018	Business Board	26 November 2018	Decision	Relevant internal and external stakeholders	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
12.	University of Peterborough progress	Business Board	26 November 2018	Decision	To note progress with the Skills Strategy	Stephen Rosevear, Assistant Director Skills, John Hill, Director Business & Skills	Councillor John Holdich, Portfolio Holder for Skills
13.	Growth Fund Pipeline	Business Board	26 November 2018	Decision	New project pipeline – recommend first project approvals to Combined Authority Board	John Hill, Director Business & Skills	Chair
14.	Progress on Growth Fund Programme and Risk Register	Business Board	26 November 2018	Decision	To monitor and review programme performance and risks Agree submission for 18/19 Annual Conversation to BEIS/CLOG	John Hill, Director Business & Skills	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
15.	Monitoring Reports Updates for Financial Information	Cambridgeshire and Peterborough Combined Authority	26 November 2018	For Information	To review financial monitoring reports	Noel O'Neill, Interim Deputy Chief Finance Officer, Rob Emery, Financial Support	Chair
16.	Investment Strategy and Budget – Update	Business Board	26 November 2018	Decision	To review the Investment Strategy and budget	Karl Fenlon, Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	
17.	Growth Hub progress	Business Board	26 November 2018	For consultation	To consider progress	John Hill, Director Business & Skills,	Chair
18.	Skills Strategy	Cambridgeshire and Peterborough Combined Authority	26 November 2018	For consultation	To consider and review strategy	Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Employment and Skills
19.	Eastern Agri-Growth Initiative	Business Board for recommendations to Combined Authority	26 November 2018	Key Decision	To consider continued funding from the Growth Deal for the Eastern Agri-Tech Growth Initiative	Harriet Fear, John Hill, Director of Business & Skills	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
20.	Local Industrial Strategy development and CaMKCox vision project	Business Board recommendations to Combined Authority	26 November 2018	For consultation	To consider programme progress.	John Hill, Director Business & Skills Dan Thorp Interim Assistant Director	Chair
21.	Update on Adult Education Budget	Business Board recommendations to Combined Authority	26 November 2018	For consultation	To receive a report on the next steps in the devolution of the AEB programme; including deciding on the Business Case for 2019-2022, and relevant strategies and plans	John Hill, Director Business & Skills Neil Cuttell, AEBD Programme Manager	Councillor John Holdich Portfolio Holder for Employment and Skills
22.	Forward Plan	Business Board	26 November 2018	Decision	To note the forward plan	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
	28 January 2019-						
23.	Minutes of the Meeting on 26 November 2018	Business Board	28 January 2019	Decision	To approve the minutes of the last meeting as a correct report	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
24.	Growth Fund Pipeline	Business Board	28 January 2019	Decision	To agree further projects for approval by the Combined Authority 13 February Budget meeting	John Hill, Director Business & Skills	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
25.	Progress on Growth Fund Programme and Risk Register	Business Board	28 January 2019	Decision	To monitor and review programme performance and risks	John Hill, Director Business & Skills	Chair
26.	Monitoring Reports Updates for Financial Information	Cambridgeshire and Peterborough Combined Authority	28 January 2019	For Information	To review financial monitoring reports	Noel O'Neill, Interim Deputy Chief Finance Officer, Rob Emery, Financial Support	Chair
27.	Investment Strategy and Budget - Update	Business Board	28 January 2019	Decision	To review the Investment Strategy and budget	Karl Fenlon, Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count Portfolio Holder for Fiscal
28.	Forward Plan	Business Board	28 January 2019	Decision	To note the forward plan	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
	25 March 2019-						
29.	Minutes of the Meeting on 28 January 2019	Business Board	25 March 2019	Decision	To approve the minutes of the last meeting as a correct report	Kim Sawyer, Monitoring Officer for Combined Authority	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
30.	Progress on Growth Fund Programme and Risk Register	Business Board	25 March 2019	Decision	To monitor and review programme performance and risks Recommend projects for approval to CA Board (if required)	John Hill, Director Business & Skills	Char
31.	Monitoring Reports Updates for Financial Information	Cambridgeshire and Peterborough Combined Authority	25 March 2019	For Information	To review financial monitoring reports	Noel O'Neill, Interim Deputy Chief Finance Officer, Rob Emery, Financial Support	Chair
32.	Investment Strategy and Budget - Update	Business Board	25 March 2019	Decision	To review the Investment Strategy and budget	Karl Fenlon, Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count Portfolio Holder for Fiscal
33.	Forward Plan	Business Board	25 March 2019	Decision	To note the forward plan	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
	28 May 2019						
34.	Minutes of the Meeting on 25 March 2019	Business Board	28 May 2019	Decision	To approve the minutes of the last meeting as a correct report	Kim Sawyer, Monitoring Officer for Combined Authority	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
35.	Schedule of meetings 2019/20	Business Board	28 May 2019	Decision	To agree schedule of meetings for 2019/20	Kim Sawyer, Monitoring Officer for Combined Authority	Chair
36.	Progress on Growth Fund Programme and Risk Register	Business Board	28 May 2019	Decision	To monitor and review programme performance and risks Recommend projects for approval to CA Board (if required)	John Hill, Director Business & Skills	Char
37.	Monitoring Reports Updates for Financial Information	Cambridgeshire and Peterborough Combined Authority	28 May 2019	For Information	To review financial monitoring reports	Noel O'Neill, Interim Deputy Chief Finance Officer, Rob Emery, Financial Support	Chair
38.	Investment Strategy and Budget - Update	Business Board	28 May 2019	Decision	To review the Investment Strategy and budget	Karl Fenlon, Interim Chief Finance Officer for Combined Authority/Lead for Finance Work Stream	Councillor Steve Count Portfolio Holder for Fiscal
39.	Forward Plan	Business Board	28 May 2019	Decision	To note the forward plan	Kim Sawyer, Monitoring Officer for Combined Authority	Chair

SUBMIT YOUR COMMENTS OR QUERIES TO BUSINESS BOARD

Your comment or query:

How can we contact you with a response?
(please include a telephone number, postal and/or e-mail address)

Name
Address
.....
Tel:
Email:

Who would you like to respond?



BUSINESS BOARD	AGENDA ITEM No: 1.5
24 SEPTEMBER 2018	PUBLIC REPORT

STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS

1.0. PURPOSE

1.1. The Government published a paper on 24 July aimed at further strengthening the governance and performance framework for local enterprise partnerships (LEPs) and simplifying the geography. This requires an initial response from the Board by the 28 September. The Government has also set a deadline for the 31 October for any comments on implementing the new arrangements, as the Board will not be meeting in October a draft response has also been included for these items.

DECISION	
Lead Member:	Chair of Business Board
Lead Officer:	John Hill, Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: Yes
<p>The Business Board is recommended to:</p> <p>(a.) Agree to submit a proposal to Government for the boundary of the Business Board to be coterminous with the Combined Authority boundary.</p> <p>(b.) Agree the attached draft response for submission to the Government by 28 September and consideration by the Combined Authority on the 26 September</p> <p>(c.) Agree that any final amendments to the Government response can be made by the Chair</p>	<p>Voting arrangements</p> <p>Simple majority of all members</p>

<p>prior to submission to the Government.</p> <p>(d.) Note the deadlines and changes as set out in the Strengthened LEPs paper and that a report will be brought back to the Board addressing these requirements.</p>	
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2.0. INTRODUCTION

2.1. The Strengthened Local Enterprise Partnerships is a further report intended to improve governance, transparency and accountability as well as simplifying the Local Enterprise Partnership (LEP) landscape. The paper follows a Ministerial review in 2018 and an independent review of LEPs by Mary Ney in 2017 which identified several weaknesses that needed to be addressed. A link to the government paper is set out below.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728058/Strengthened_Local_Enterprise_Partnerships.pdf

2.2. The deadline for responding to the Government paper is tight with an initial response on geography by the 28 September and the governance framework by the 31 October. A response on the latter therefore also needs to be agreed at this meeting as the Board does not meet in October.

2.3. A template has been provided by the Government to capture the response to three questions and this is attached as at Appendix B, draft text has been included for consideration of the Board. These are fixed deadlines and although no extension of time will be given it has been inferred that Government are not expecting solutions by this stage, particularly on the question of geography, more of an indication of the direction of travel.

2.4. The Government has also invited responses from businesses and interested parties, so it is likely responses affecting the Business Board area will be made by other LEPs, organisations and possibly individuals. At a national level the LEP Network is also considering the proposals with a sub group comprising of several LEP Chairs considering the geography.

3.0. ROLES AND RESPONSIBILITIES, LEADERSHIP AND ORGANISATIONAL CAPACITY

3.1. A report appears elsewhere on the agenda in terms of how the Business Board has been established. The Board will continue to be the local enterprise partnership for the area. The Government is aiming to improve governance and particularly the gender balance, protected characteristics and transparency

of LEPs by 2020 and 2023. Several of these aspirations have already been taken on board in establishing the membership of the Business Board.

- 3.2. A new National Assurance Framework will be introduced in the Autumn to which the Business Board will need to comply by 28 February 2019. The previous LEP was judged to have complied with the previous Assurance Framework in February 2018. The Accountable Body at that time (Cambridgeshire County Council) concluded the LEP had gone beyond the statutory minimum in addressing all the points in the Mary Ney Review.
- 3.3. Whilst the content of the updated National Assurance Framework is not yet known, it is expected the Business Board will be in a strong position to comply by February 2019. The assessment will need to be signed off by the Deputy S73 (Chief Finance) Officer on behalf of the Combined Authority which is now the Accountable Body.

4.0. PERFORMANCE

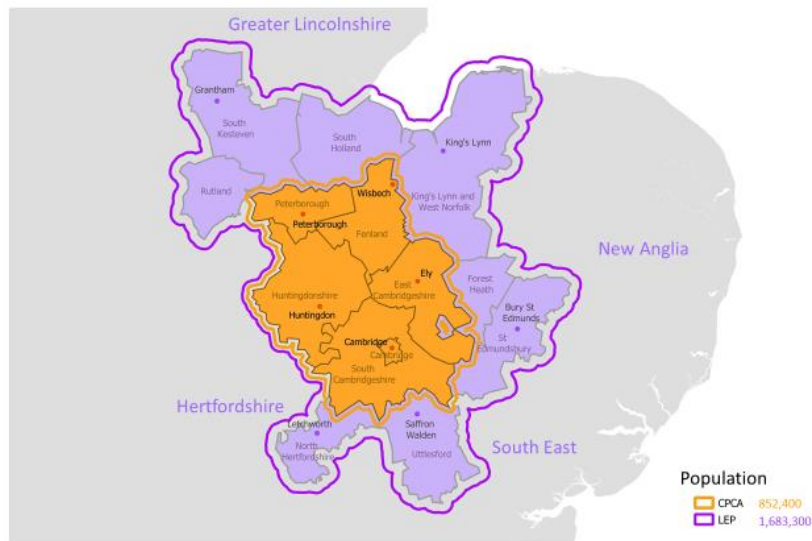
- 4.1. The Government already requires the Business Board to produce an Annual Delivery Plan, the next version is due by April 2019. In addition to the annual review of this Plan there will be further independent assessments by Government of the LEP delivery arrangements and the overall economic performance of the area. It is anticipated that the Business Board will have in place the required processes and procedures to provide this information and demonstrate the outcomes that have been achieved.

5.0. GEOGRAPHY

- 5.1. Initially it was expected that the geographical boundaries would be revised by the Government for implementation in 2020/21. After reviewing the situation, the Government has now asked for local proposals on future boundaries, with the aim of removing any instances of businesses and communities being in more than one LEP. Any changes would need to be implemented when the current budget cycle comes to an end in 2020.
- 5.2. In areas where there is a Mayoral Combined Authority the Government has stated that further consideration needs to be given to aligning the boundaries between the combined authority and the local enterprise partnership at the same time. Agreements and collaborations between local enterprise partnership areas will continue to be promoted.

LEP Boundary

- 5.3. The starting point for Government was to reduce the level of duality, the number of local authorities that are in more than one LEP area. The map below shows the current Business Board area.



- 5.4. The authorities in purple are primarily in two LEPs, apart from Rutland County Council. South Holland DC and South Kesteven DC are members of another LEP but exercise membership of our LEP under local arrangements.
- 5.5. A significant consideration in the geography is the functioning economic area. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) was published on the 14 September, this includes references to the functional economic areas that make up our area, drawing upon on travel to work patterns, housing market patterns, and other factors which form distinctive economic areas around Greater Peterborough, the Fens and Greater Cambridge. All these functional economic areas feature connections outside of the Cambridgeshire and Peterborough Combined Authority (CPCA) footprint and into the Business Board footprint (and in some cases beyond). The CPIER recommends that the Local Industrial Strategy is developed to reflect the distinct characteristics and needs of these economies, their connectivity to each other, and that the Local Industrial Strategy is where these should be brought together into strategic alignment.
- 5.6. A summary of some of the current schemes and key programmes in each of the authorities outside the Combined Authority is set out in Appendix A.

Future Alignment with Combined Authority Boundary

- 5.7. Earlier in 2018 the Mayor and Chief Executive met each of the authorities that were in the LEP area to discuss how the councils could work more effectively together in the future and with the Business Board.

5.8. On the question of geography there are a range of options for each authority to consider, which include:

- a) An authority that is not in the Combined Authority is solely in another LEP area and there is some form of collaboration agreement between the two LEPs on any joint schemes;
- b) An authority that is not in the Combined Authority remains in the Business Board (LEP) area and not a member of the Combined Authority Board;
- c) An authority that is not in the Combined Authority remains in the Business Board area and has some form of membership of the Combined Authority Board.

5.9. Progressing option (a) would reduce the size of the LEP area significantly and affect any future LEP funding that is allocated on a population basis. This would also require any current contracts and agreements with any areas outside the Combined Authority to be changed. This will require significant resources and funding given the experience over the past nine months. The Government has indicated some funding will be available, however, given the changes that will be required to deliver a coterminous boundary here and nationally further Government funding is going to have to be made available. There are also significant local government links between the district council authorities and their top tier county councils and therefore option (a.) would maintain these links in the future whilst enabling collaboration on major economic programmes that spanned more than one LEP.

5.10. With the Government position on coterminous boundaries it is difficult to see how option (b.) could work for local authorities. They would not have a route for a formal voice in the decision-making process and difficulty in controlling the funding arrangements.

5.11. On option (c.) any proposals on authorities becoming formal members of the Combined Authority would require significant work and for example the devolution deal to be revisited. If this option was progressed the earliest this could be aligned is the next Mayoral election in 2021.

5.12. It therefore appears at this stage that the most pragmatic option is (a.) with a proposed reduction in the LEP boundary to be coterminous with the Cambridgeshire and Peterborough Combined Authority area. There are still a significant number of issues to be overcome and a realistic timeframe would need to be put in place.

5.13. Further to a decision at the Business Board a report on the Strengthened Local Enterprise Partnership paper is also on the agenda for discussion at the

Cambridgeshire and Peterborough Combined Authority Board meeting on the 26 September.

6.0. FINANCIAL IMPLICATIONS

- 6.1. Reducing from the current LEP footprint to just the Combined Authority area would significantly reduce the population base and potentially future funding. Although LEP funding has not overtly been population-based this has been a key factor in the Government calculations. The calculations are not straightforward as some authorities have duality and others are not formally recognised as being in the LEP.
- 6.2. The Business Board will also need to identify additional resources to meet any additional work associated with the development of the Local Industrial Strategy, potential changes in the LEP boundary and the new governance arrangements. Until the new assurance framework is published in the autumn the quantum is not yet known. The Government has asked for an indication of the resource requirement and at this stage it has been estimated that this would equate to £200,000. Whilst the Government has stated that any claims would be capped at £200,000 the costs could be significantly higher, especially if all legal and financial advice to the LEP must be provided independently.

7.0. CONCLUSION AND NEXT STEPS

- 7.1. The changes to the governance and performance framework should be noted at this stage. There is a significant amount of detail, however, it is felt the Business Board is in a strong position to meet these requirements.
- 7.2. A short timescale of two months for proposals on the geography and alignment with the Combined Authority boundaries is challenging given the points highlighted above.
- 7.3. The Business Board will be meeting for the first time on the 24 September some 4 days before the response to Government is due. It is therefore recommended that the Business Board provides a response that reflects the significant work that is going on in the area to further improve the economic future, stresses that people and businesses do not recognise hard boundaries and demonstrates that for the future success of the area there needs to be ongoing dialogue as part of developing the Local Industrial Strategy. Especially given the significant work has been undertaken already on the Cambridgeshire and Peterborough Independent Economic Review.
- 7.4. Given a response on a coterminous boundary with the Combined Authority is also required by 28 September from a pragmatic position it is recommended that the current LEP boundary is reduced to that of the Combined Authority.

8.0. LEGAL IMPLICATIONS

- 8.1. If the LEP geography were to be changed, the numerous legal contracts and grant agreements entered into by the LEP, including but not limited to delivery agreements and accountable body agreements, would have to be reviewed and amended accordingly, which would require a significant amount of time, effort and resource
- 8.2. There is also a Growth Deal grant offer letter which is linked to meeting criteria set out in the local assurance framework. Failure to meet the criteria could result in government funding being withheld. Under the new National Assurance Framework to be published in the Autumn these criteria are likely to be revised and whilst the Business Board will need to be confident the criteria have been met, the formal sign off is with the Combined Authority as the Accountable Body.

9.0. SIGNIFICANT IMPLICATIONS

- 9.1. No significant implications beyond those set out in the report.

10.0. APPENDICES

- 1.1. Appendix A – Key programmes
- 1.2. Appendix B – Template response

<u>Source Documents</u>	<u>Location</u>
Strengthened Local Enterprise Partnerships July 2018 Ministry of Housing, Communities and Local Government	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728058/Strengthened_Local_Enterprise_Partnerships.pdf
Review of LEP governance and transparency conducted by Mary Ney, a MHCLG non-executive director.	https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency

ACTIVITIES ACROSS THE LEP AREA

All areas benefit from the ‘whole-LEP’ offer on the Growth Hub (business signposting, support, export advice), Inward Investment, Innovation and International Trade as well as Skills via the Enterprise Advisors Network, Careers Enterprise advice and training for teachers.

A summary of key factors and a bulleted list of activity in each of the specific areas is set out below.

Combined Authority

- Cambridge Autonomous Metro (running out to several other areas)
- A14
- Housing Strategy, working with sub-regional Housing Board
- Alconbury Enterprise Zone with 150 hectares of designated employment land
- Cambridge Compass Enterprise Zone comprising of 62 hectares (including Cambridge Research Park, Northstowe, Cambourne Business Park and Lancaster Way in the Combined Authority area and 4 hectares at Haverhill Research Park (CB9 7FB) which is in St Edmundsbury Borough Council (West Suffolk).

Rutland County Council

The only authority that is not in the Combined Authority or another LEP area. Not including Rutland Council in the future LEP area would mean finding a new LEP for the area.

The LEP has provided support to the initial phase (initiation, feasibility) of a significant new housing development at St George’s Barracks – a previous MOD site, anticipated to deliver 3,000 new homes and employment land.

Growing Places Fund provided a loan to support the creation of Ashwell Enterprise Park, converted from the former Oakham Prison site. The loan is due to be repaid to CPCA in 2023.

Hummingbird Technologies Ltd have been provided with a grant under the Agritech programme. The LEP has provided Signpost 2 Grant support to Mick Appleby Racing and Breeding Ltd.

Uttlesford District Council

Strong economic links to South Cambridgeshire, strategic corridor to Stansted Airport. The LEP is a member of the West Anglia Mainline Taskforce, lobbying for investment in infrastructure to ensure stations and communities along the route can benefit from improvements in services and connections to Crossrail. GCGP has also contributed to Stansted Airport campaigns and events, including skills initiatives.

Uttlesford will benefit from CPCA's Growth Deal allocation for improvements to Junction 8 of the M11 subject to a Business Case. The LEP has had a good relationship with the developers of Chesterford Research Park and companies based there. The LEP works closely with Astra Zeneca and Illumina - both provided VIP speakers at sector events – and other occupants have joined the LEP in international trade activities.

South Kesteven District Council

Commuter patterns show a high proportion of residents travelling to Peterborough from South Kesteven.

The LEP's Growth Hub works with partners to deliver business support services and events in the district.

The LEP has awarded funding to two small business grant projects in South Kesteven.

South Holland District Council

Travel to work area with Peterborough.

The LEP's 'whole area offer' ie: Signpost 2 Grow, Signpost 2 Grant (small grants) and Agritech has covered South Holland since they became members of the LEP but to date there have been no direct grants made to projects or companies in the area.

West Suffolk

The two authorities Forest Heath and St Edmundsbury have been grouped together as they will shortly be merging.

Haverhill Research Park part of Compass EZ agreement, 4 hectares of designated employment land

Strategic Housing Market Assessment with the Cambridge area.

Future of RAF Mildenhall (One Public Estate) - the LEP contributed to development of a prospectus to Government re the potential of the site.

In_Collusion project has established a hub in Bury St Edmunds as one of a range of hubs across the LEP area which has delivered events and projects to bring together digital SMEs and arts sector.

North Hertfordshire District Council

The LEP has supported dialogues for improved infrastructure along the growth corridor along A10 Royston-Cambridge.

An Agritech grant was awarded to 3XT Ltd T/A Rollagranola in 2016.

King's Lynn & West Norfolk Borough Council

KLWN commuters will benefit from the Ely Area Capacity Enhancements project supported by CPCA through its Growth Funds, which should result in capacity / volume of trains through Ely North Junction. KLWN chairs the Ely Rail Taskforce which has been lobbying Government for investment in rail infrastructure.

A47

In_Collusion project has established a hub in Kings Lynn as one of a range of hubs across the LEP area which has delivered events and projects to bring together digital SMEs and arts sector. A major showcase is planned for Kings Lynn in Winter 2018.

Growth Deal has provided skills capital funding to CITB to establish a new construction skills facility at their college and headquarters at Bircham Newton, using simulators.

SMEs in KLWN have been successful at seeking investment from the Agri-Tech initiative.

11 projects have received over £800k support between them for R&D and growth schemes since 2015.

GOVERNMENT RETURN

Annex A Implementation guidance note – next steps.

This document outlines the next steps that a Local Enterprise Partnership (LEP) should take so it can begin to implement the review.

Please note that over the summer the LEP Network will be convening a number of working groups. At these working groups, LEPs will agree guiding principles to help ensure consistency in the implementation of the review. All LEPs are encouraged to engage in these discussions and use these to inform your own plans.

In the coming months, your LEP should provide an initial response setting out how you will fulfil the recommendations; outlining the approach you are going to take to achieve this. The length and detail of these responses should be proportionate to the changes required by the LEP¹. For the initial response, LEPs should:

1. Develop and submit proposals on geography no later than **28 September 2018**. If no changes are proposed, LEPs should outline why. A template for your response is included in Annex B.
2. Develop and submit a plan for implementing the review recommendations no later than **31 October 2018**. A template for your response is included in Annex C.
3. Hold a conversation, and work with, their Area Deputy Director and Local Area Leads before they submit their proposal for additional funding.
4. Include the proposal for additional funding alongside your implementation plan. A template to submit this proposal is outlined in Annex D.

These proposals should be submitted to LEPpolicy@communities.gsi.gov.uk copying in your Area Lead.

Specific timelines for the implementation of the recommendations are outlined below, and the majority of these recommendations will need to be in place for the beginning of the 2019-20 financial year. These timeframes will be reflected in the National LEP Assurance Framework, which will be revised in Autumn 2018. You should be prepared to update your plans to reflect any additional guidance outlined in the document.

We expect all LEPs to be compliant with the revised National LEP Assurance Framework by the 28 February 2019 to ensure that the necessary systems and processes are in place to manage devolved funding from central Government budgets effectively for the next financial year.

Proposals on geography

All LEPs should outline proposals in response to the Government's recommendations on geography no later than **28 September 2018**. Proposals should best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as

¹ Unless the LEP is making significant changes and needs to provide additional detail, Government does not expect the response to each recommendation to exceed 300 words.

mergers. If your LEP is proposing no changes to its geographical boundaries, you should respond briefly, outlining why no change is required. If your LEP is proposing changes to its geographical boundaries you should outline why these changes would be suitable for your local area. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. This should also include how any proposed changes will align with the development of Local Industrial Strategies.

You should engage with officials in the Cities and Local Growth Unit over the coming weeks and months to discuss any potential geography changes.

Proposals should be submitted in the format outlined in Annex B and submitted to the LEPpolicy@communities.gsi.gov.uk no later than 28 September 2018, copying in your Area Lead. We will look to keep you informed following receipt of your proposals and respond promptly.

We recognise that LEPs are independent bodies and will have to work closely with local stakeholders to implement any changes. We will work with each LEP to ensure that revised geographies come into effect by spring 2020 at the latest, recognising the need to deliver against existing commitments as well as transition to the new policy and funding landscape over these new geographies.

Implementation Plan

All LEPs must submit the implementation plan template (Annex C) **no later than 31 October 2018** to the LEP policy team in the Cities and Local Growth Unit (LEPpolicy@communities.gsi.gov.uk), copying in your Area Lead.

The implementation plan should provide an initial response setting out how you will fulfil the recommendations; outlining the approach you are going to take to achieve this. You should outline your plans to address each recommendation in Annex C, providing clear timeframes in which you expect to have these plans in place. These proposals should also outline any milestones, issues and risks that the LEP may face in meeting the recommendations outlined in the review.

Proposals for additional capacity funding

The Government is making up to £200,000 available in 2018-19 to each LEP to fund a timely and effective implementation of the LEP review, and the development of an evidence base for Local Industrial Strategies.

You should complete the attached Annex D and return it alongside your implementation plans **no later than 31 October 2018**. Plans should provide a sufficient level of detail on the capacity and capability that this additional funding will bring, and demonstrate how it will be spent by March 2019. You will only receive this funding if Government is satisfied that your proposals on geography, implementation and additional funding address the recommendations outlined in the LEP Review.

It is expected that the majority of additional funding will be used to build in-house capacity and capability in LEPs (e.g. through recruitment and up-skilling) to demonstrate an improvement in analytic, policy and programme management capabilities that will be able to deliver on increased responsibilities. However, we recognise that it will be necessary for some additional funding to be used for other costs and external fees (e.g. costs associated with incorporation).

This funding will be paid by S31 grant to the Accountable Body, to the account used to pay LEP core funding in April 2018. If these details are different please indicate this in section 2 of Annex D.

The Cities and Local Growth Unit will review all geography proposals, implementation plans and funding annexes and will consider the extent to which these correspond to the recommendations of the review. The release of additional funding is contingent on this assessment.

If you have any questions relating to the requirements above, please contact your Area Lead who will liaise with policy officials as required to resolve your query.

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Annex B: Geography proposal response template

LEP Name: BUSINESS BOARD (Formerly GREATER CAMBRIDGESHIRE GREATER PETERBOROUGH LEP)

Please outline the LEP's plans to address the geography recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

Proposals should be submitted to LEPpolicy@communities.gsi.gov.uk **no later than 28 September 2018**, copying in your Area Lead.

Geography

Recommendation:

As Local Enterprise Partnerships are central to future economic growth, Government will ask Local Enterprise Partnership Chairs and local stakeholders to come forward with considered **proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.** ...These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Information required in geography proposal:

All LEPs should outline their response to the Government's recommendations on geography no later than **28 September 2018**.

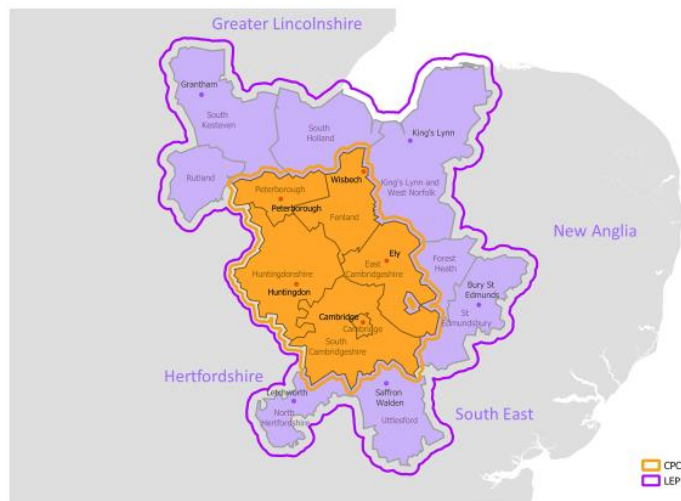
Those LEPs proposing geography changes should provide detail of the proposed changes. In your response you should outline why these changes would be suitable for your local area. These proposals should include timescales for the transition to different geographies. LEPs should work with the LEP Network and neighbouring LEPs to ensure a shared understanding of the geography changes being proposed exists.

For LEPs who are proposing no changes you should respond briefly outlining why no change is required. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. All LEPs should aim to have revised geographies (if required), by **spring 2020**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The geography for the LEP is a complex picture, whilst the Government has requested a response on the question of duality there are also other factors that need to be considered. A map showing the current geography is set out below.



As well as the areas that are in two LEPs, Rutland County Council is part of the LEP currently and is not covered by another LEP. South Kesteven and South Holland are only part of the LEP through a local arrangement which is not recognised at a national level.

That LEP is already leading a multi LEP programme on Energy and will continue to work collaboratively across the wider region and also envisages working more closely with other LEPs that are outside the current LEP area. Potentially through new collaborations and funding agreements.

The LEP Geography is being discussed at a meeting of the LEP Board on 24 September and then at the Combined Authority Board on 26 September. This section will be updated following the conclusion of those discussions.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

The question of geography was discussed at the LEP Board meeting on the 24 September.

This was further debated at the Combined Authority Board on 26 September.

If any changes are to be made these would need to be agreed with government. There would potentially be implications for programme delivery and funding and therefore any milestones would need to be established as part of a wider change programme.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

After going through significant change in the past twelve months and the transition from the GCGP LEP to the Business Board, the Government should not underestimate the difficulty, resources and legal advice required in transferring any LEP business and the accountable bodies and contracts, not just for the longer-term infrastructure programmes but also any agreements requiring up to six years monitoring.

Several European funding streams will continue beyond 2020 and run until 2023, it is not clear how these would be managed in the future given the government deadlines.

Recommendation:

We will encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate in line with the wider discussions on Local Enterprise Partnership geographies. These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Information required in geography proposal:

For LEPs in MCA areas, these proposals should consider the current relationship between MCA and LEP geographies.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

TBD following the meetings on 24 September and 26 September. The recommendation is for coterminous boundaries.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The LEP has a new Board membership from 24 September 2018.

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Annex C: Implementation plan response template

LEP Name: BUSINESS BOARD (Formerly GREATER CAMBRIDGESHIRE AND GREATER PETERBOROUGH LEP)

Please outline the LEP's plans to address the recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

All LEPs must submit the implementation plan template (Annex C) **no later than 31 October 2018** to the LEP policy team in the Cities and Local Growth Unit (LEPpolicy@communities.gsi.gov.uk), copying in your Area Lead. The plan should outline the changes that the LEP is making to ensure that it meets the recommendations set out in the LEP review. It should also outline any key milestones, risks and issues.

Roles and Responsibilities

Recommendation:

We expect all Local Enterprise Partnerships will follow best practice within the sector and **produce an annual delivery plan and end of year report.**

Information required in implementation plan:

Within the implementation plan, the LEP should outline its plans to draft and publish an annual delivery plan by **April 2019** and an end of year report at the end of the **2019-20 financial year.**

Government will work with LEPs to develop qualitative and quantitative measures to report against. As you develop your Local Industrial Strategy, Government expects the delivery plan and end of year report to be linked to the progress of your Local Industrial Strategy. The implementation response should provide a commitment to adopt and report against agreed key performance indicators.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The Independent Economic review was published on the 14 September. Significant work has been undertaken to develop a robust evidence base that will feed into the development of the Local Industrial Strategy.

The LEP plans to publish an annual delivery plan by April 2019 and an end of year report at the end of the 2019-20 financial year. This will take into account the Local Industrial Strategy.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Leadership and Organisational Capacity

Recommendation:

Government expects that each Local Enterprise Partnership **consults widely and transparently with the business community before appointing a new Chair, and appoints a Deputy Chair.**

Information required in implementation plan:

Within the implementation plan, you should outline your LEP's draft proposed process for consultation of the business community before appointing a new Chair. LEPs should plan to have this process in place by **28 February 2019.**

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The LEP has already gone through a process of recruiting to the new Board. The first Chair will be selected from the recruitment process, a skills matrix was developed specifically for the Chair and any applicants for roles on the Board who expressed an interest in the position of Chair were asked a series of additional questions. A final decision on the appointment of the Chair will be taken at the first meeting of the Board on 24 September 2018.

A wide-ranging consultation was undertaken with the business community in seeking nominations for the Board in the first instance.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

New Chair to be elected in September 2018, a fixed term applies.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

In line with best practice in the private sector, Local Enterprise Partnerships will want to **introduce defined term limits for Chairs and Deputy Chairs** where these are not currently in place.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to introduce defined term limits for Chairs and Deputy Chairs. LEPs should plan to have this process in place by **28 February 2019**. LEPs should also plan to have a Deputy Chair in place by **28 February 2019**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

A three-year term is in place for all the Board members. This will therefore be in place by the deadline of 28 February 2019.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

Government's aspiration is that Local Enterprise Partnerships work towards strengthening the representation from the private sector, increasing **representatives from the private sector so that they form at least two thirds of the board**, to ensure that each Local Enterprise Partnership can truly be said to be business-led. In order to maintain focused board direction and input, Government will work with Local Enterprise Partnerships to establish a **maximum permanent board of 20 people**, with the option to co-opt an additional five board members with specialist knowledge on a one year basis.²

Information required in implementation plan:

LEPs must be accountable to their area and representative of the communities they serve. Therefore, within the implementation plan, your LEP should outline any changes you plan to make to the composition of the board to meet the review recommendations. As part of this you should outline:

- how your LEP plans to increase the private sector board membership to 2/3 private sector.
- how your LEP will ensure that the board does not exceed a maximum of 20 persons.
- arrangements for co-opted members (if applicable).

You should outline how your LEP plans to achieve this board composition over time, for example, in phases. LEPs should plan to have implemented any changes needed to board composition by **the end of the 2019-2020 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The team establishing the Business Board has worked closely with the Government on the arrangements, the Board is proposed to be a maximum of ten people, eight of which will be drawn from the private sector. There are currently no co-opted members, however, the requirements on co-opted members are noted for future reference.

Key milestones

² Any private sector board member must fit the definition of 'private sector' as defined by the National Accounts Sector Classification. A private sector member must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National Accounts.

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Board will be established in September 2018, it is anticipated at least two thirds of the members will come from the private sector.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

Government expects refreshed Local Enterprise Partnership boards to **improve their gender balance and representation of those with protected characteristics**. Our aim is for Local Enterprise Partnership boards to have equal representation of men and women by 2023. As a step towards achieving this, we will replicate the target set in the Hampton-Alexander Review for FTSE 350 boards; Local Enterprise Partnerships should aim for a minimum of a third women's representation on their boards by 2020.

Information required in implementation plan:

Within the implementation plan, your LEP should outline how you will demonstrate the work that you will undertake to encourage board diversity, including enacting any changes in the National Assurance Framework.

All LEPs should aspire to achieve gender balanced boards. The implementation plan should include detail on plans to:

- Take action to ensure that at least one third of the LEP's appointed board members are women by **the end of the 2019-2020 financial year**.
- Take action to ensure equal representation of men and women on boards by **the end of the 2022- 2023 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The LEP is very aware of the question of gender balance, it is not anticipated that the 2019/20 target on women's representation will be achieved at this stage. As highlighted previously nominations were sought for Board membership from the private sector and all the applicants were assessed against a robust set of criteria. Whilst it is unlikely the Board will meet the goal on women representation initially it is recognised that there is further work to be done to meet the Government target. It is anticipated that there will be member representation on the Board from other protected characteristics.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Business Board has recently been established, should any vacancies at the end of this initial stage, or periods of appointment come to an end then the Board will continue to encourage Board diversity.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

This is dependent on the applications received and individuals meeting the role requirements. The Board will be encouraging applications from the whole business community, there are no geographical constraints and the aim is to get a broad mix of individuals including people reflecting the key sectors in the area.

Recommendation:

Local Enterprise Partnerships will **need to provide a secretariat independent of local government to support the Chair and board** in decision making.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to put in place arrangements to ensure that all board members, whether from a public, private or third sector organisation, can access impartial advice and support from the LEP as a collective enterprise. You should outline the timeframe in which your LEP expects to have this secretariat in place.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

It is not clear at this stage what is required in terms of independence in mayoral areas, does this range from secretarial support on for example agenda setting, minutes and ensuring reports are produced through to wider specialist legal and financial support.

A separate arrangement has already been made for specialist governance support for the delivery of the decision making process.

The Finance function is currently being provided within the Finance Team at the Combined Authority through an individual who has been specifically appointed to support the

Business Board and act as its S73 officer. The Combined Authority has a separate S73 Officer to oversee the Accountable Body arrangements. This enables access to a wide range of specialist knowledge, skills and experience whilst ensuring independent advice and avoiding any conflicts of interest.

Legal advice and support on the Business Board is being provided separately through a private sector provider - Pinsent Masons, via the Legal Counsel and Monitoring officer at the Combined Authority.

Given the Business Board has only just been formed and the Chair elected it is felt these arrangements are sufficient at this stage.

Some further clarity on what the Government is expecting in the future would be welcomed, especially given the additional cost involved in procuring private sector resources and finding individuals with the required knowledge, skills and experience to provide the required level of secretariat support.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

Identifying suitable providers who can meet the governance support to meet the national assurance framework and can provide the required business support and advice is going to be difficult if this doesn't come from the public sector.

Accountability and Performance

Recommendation:

Government will **support all Local Enterprise Partnerships to have a legal personality.**

Information required in implementation plan:

Within the implementation plan, you must outline your LEP's plans to adopt a legal personality. All LEPs should plan to adopt a legal personality by **April 2019**³. Government will provide further advice to LEPs on incorporation.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The Business Board will be established in a mayoral combined authority area and regular discussions have been held with the Government during the process to ensure that these arrangements are in line with Government thinking.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

Local Enterprise Partnerships will want to identify a **single Accountable Body within in each area** that is responsible for all Local Enterprise Partnership funding.

Information required in implementation plan:

Within the implementation plan, you must outline how your LEP plans to adopt a single Accountable Body within each area that is responsible for all Local Enterprise Partnership funding. You should outline the timeframes in which the LEP expects to have this arrangement in place. The plan should also include details about the transition of any funding arrangements⁴. LEPs should have a single Accountable Body in place by **Spring 2020**.

LEP response

³ Where changes to geographies have been agreed, LEPs and Government will agree an appropriate timeframe for incorporation.

⁴ LEPs should outline where programmes, such as Enterprise Zones, will continue under existing Accountable Body arrangements.

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The Combined Authority is the Accountable Body and these arrangements have already been put in place.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

As legal entities, all Local Enterprise Partnerships will be required to hold an annual general meeting. **We will set an expectation that these are open to the public and businesses to attend and properly promoted.**

Information required in implementation plan:

Within the implementation plan, your LEP must commit to hold an annual general meeting; open to the public to attend. Your LEP should hold its first/next public Annual General Meeting in **the 2019-20 financial year.**

To ensure that all businesses in an area have equal access to their Local Enterprise Partnership, we will not permit any Local Enterprise Partnership to operate on a paid-membership basis.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The Business Board will hold an Annual General Meeting and a 6 month performance review meeting that is open to the public.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance locally.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to review the responsibilities of the Chair, Board, Director, and Accountable Body and discuss plans to outline these responsibilities in a revised Local Assurance Framework. These arrangements should be put in place for **the 2019-20 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The governance arrangements of the Business Board have been developed alongside the emerging government requirements. These were discussed and reviewed with the Chair and the Board at the initial meeting on 24 September when the Board was established. The Business Board has its own constitutional arrangements available online.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Some initial work has been undertaken in developing the governance framework. Any additional government advice and clarification will be considered as and when this is produced. Any changes as a result of the new National Assurance framework, additional government guidance of advice from other organisations, such as the LEP Network will be reviewed when this is published.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

The Government will **support Local Enterprise Partnerships to set out how they will ensure external scrutiny and expert oversight**, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to discuss and agree scrutiny and oversight processes with the LEP's Accountable Body Section 151 Officer. LEPs and S151 Officers should refer to forthcoming guidance from CIPFA on the role of the S151 Officer.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The Business Board will be subject to scrutiny by both the Audit and Governance Committee and the Overview and Scrutiny Committee of the Combined Authority. The governance arrangements of the Business Board will ensure that any funding decisions are approved under the Accountable Body arrangements and will therefore be considered in a public meeting. The Audit and Governance Committee has already arranged for a presentation to their meeting in September at which the s73 officer to the Business Board will be attending.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Mayoral combined authorities

Recommendations:

Government will **consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships with a collaborative approach to agreeing a Local Industrial Strategy.**

To help ensure that Local Enterprise Partnerships have a distinctive role from the mayoral combined authorities, we **will support Local Enterprise Partnerships and mayoral combined authorities to develop and publish agreements – brought together in a single document with relevant financial assurance frameworks – which set out their respective roles and responsibilities** in a way that recognises the variation between places, while providing sufficient clarity on accountability for public funding.

Information required in implementation plan:

For LEPs in mayoral combined authorities, LEPs and the relevant combined authority should discuss the distinct role of the LEP and their future working arrangements.

If appropriate, you should outline your LEP's plans to review these arrangements and plans to develop a published agreement of roles and responsibilities. The LEP should provide an update on any discussions to date. This should be consolidated in the LEP's Local Assurance Framework by the **28 February 2019.**

LEP response

Please outline the LEP's response to the recommendations. The response should consider the information required, outlined above:

We welcome a consolidated approach to Local Industrial Strategies as this is the approach being taken locally. In advance of the LEP Review the Combined Authority has tasked the Business Board with leadership of the production of the LIS. The Combined Authority and the Business Board have jointly commissioned the Cambridgeshire and Peterborough Independent Economic Review (CPIER) as the evidence base and analysis to underpin the LIS. The CPIER has included analysis of, and engagement with, Business Board local areas outside of the CPCA area. Furthermore, the brief to work with the Business Board to produce the LIS was made to cover the Business Board geography.

This approach has been adopted to best prepare the LIS for the geographic scope that will be determined following the LEP Review.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- Publication of the Cambridgeshire and Peterborough Independent Economic Review (14 September)
- Stakeholder Engagement to produce the Local Industrial Strategy (building upon the engagement already undertaken for the CPIER) September – December
- Finalisation, sign-off, and adoption of the LIS January – March

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

No further risks identified at this stage.

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ANNEX D: LOCAL ENTERPRISE PARTNERSHIP 2018-19 ADDITIONAL FUNDING FORM

LEPs should complete Annex D and return it alongside your implementation plans **no later than 31 October 2018**. Plans should provide a sufficient level of detail on the capacity and capability that this additional funding will bring, and demonstrate how it will be spent by March 2019. You will only receive this funding if Government is satisfied that your proposals on geography, implementation and additional funding address the recommendations outlined in the LEP Review. These proposals should be submitted LEPpolicy@communities.gsi.gov.uk copying in your Area Lead.

1. Name of Local Enterprise Partnership	Business Board
2. Key contact at Local Enterprise Partnership (name, email, and telephone number)	John Hill, john.hill@cambridgeshirepeterborough-ca.gov.uk 01480 277180
3. Name and address of Accountable Body	Cambridgeshire and Peterborough Combined Authority Incubator 2 Alconbury Weald Enterprise Campus Alconbury Weald Huntingdon PE28 4WX
4. Level of additional funding being sought (up to £200,000).	£35,000 per year in initial revenue costs for independent support to the Board in 2018/19. It is suggested and additional £85,000 is provided to cover any initial one-off transition costs should the boundary of the LEP change in the longer term.

	£	Description – activities/resources	Why? The capability gap that it is addressing
<p>5. Local Enterprise Partnership additional funding requirements.</p> <p>Please set out in the table the key elements of the partnership's additional budgetary requirements by March 2019 to support the funding request of up to £200K.</p>	35,000	Provision of additional secretariat support in 2018/19	To provide support that is independent of public sector. Particularly to work with the new Chair. If support must be provided externally on financial and legal matters, then expenditure will be significantly higher.
	85,000	Provision of external legal and financial advice should it be agreed that there will be a change to the LEP boundary. Costs would be incurred in 2018/19 to look at how this could be progressed including discussing and drafting up any agreements and clarifying the financial arrangements. This would also be dependent on any government timescales.	Given the experience to date on the business transfer it is estimated that a budget of at least £200,000 would need to put aside should any changes be made to the LEP area. This would be to cover the business transfer agreement, clarifying financial position and novation of contracts from one LEP to another and from one accountable body to another. It is not felt this will be enough if for example the GCGP LEP area reduced by several areas. Part year cost included.
	80,000	Development of evidence base to produce a Local Industrial Strategy	To develop the findings and recommendations of the Cambridgeshire and Peterborough Independent Economic Review (CPIER) which require further evidence to scope and develop detailed policy proposals

	Total: £200,000	
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6. Provide confirmation that the Local Enterprise Partnership has a clear plan of activity to implement and communicate reforms in alignment with the LEP review policy statement.

The Business Board became operational on 24 September 2018. A template has already been produced to check compliance with the proposals in the Strengthened LEPs paper and what has previously been set out in the national assurance framework. This will be updated by the Assurance Manager and progress reported into the Board. When further information and guidance becomes available and the new national framework is published the template will be reviewed. Key documents will be published on the website following agreement by the Board and any significant changes or developments as a result of the reforms will be publicised.

7. Signature of Local Enterprise Partnership Chair

Printed:

Date

8. Signature from section 31 accountable local authority

Printed:

Date

DRAFT



BUSINESS BOARD	AGENDA ITEM No: 2.1
24 SEPTEMBER 2018	PUBLIC REPORT

CAMBRIDGESHIRE AND PETERBOROUGH INDEPENDENT ECONOMIC REVIEW

1.0 PURPOSE

- 1.1. Through this Business Board, the development of the Local Industrial Strategy for Cambridgeshire and Peterborough is being led by local industry.
- 1.2. Our Local Industrial Strategy will set out clearly what the economic growth potential of this region is, across all of our diverse places and communities. Critically it will agree the priority actions and interventions that are needed to achieve ambitious levels of future prosperity.
- 1.3. To ensure the Local Industrial Strategy has this level of impact the Business Board, Combined Authority, and Cambridge Ahead, have jointly commissioned the Cambridgeshire and Peterborough Independent Economic Review (CPIER). This is the most in-depth review ever undertaken of our area, it has been led by an Independent Commission made up of leading national economic, business and political figures. It has been chaired by Dame Kate Barker.
- 1.4. The Review has now been published on 14 September. This report invites the Business Board to note this milestone in the development of the Local Industrial Strategy, provide any comment, and outline the next steps in this process.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Charles Roberts, Combined Authority Portfolio for Economic Growth
	Chair of Business Board
Lead Officer:	Harriet Fear, John Hill, Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: No
	Voting arrangements

<p>The Business Board is recommended to:</p> <p>(a) Note the publication of the Cambridgeshire and Peterborough Independent Economic Review (CPIER) as a major milestone in the development of our Local Industrial Strategy</p> <p>(b) Provide any initial on the findings of the CPIER, in advance of the upcoming engagement sessions</p>	<p>(a) No vote required (b) Simple majority of all members</p>
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2.0 BACKGROUND

The Cambridgeshire and Peterborough Independent Economic Review

- 2.1. Following the agreement of the Cambridgeshire and Peterborough devolution deal it was quickly established that in order to achieve the ambitious targets for economic growth, the Combined Authority's strategies should be informed by world-class evidence and advice. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) was set up by the Combined Authority, the Business Board (as the GCGP LEP), and Cambridge Ahead to provide that foundation for local growth strategies.
- 2.2. The CPIER has been led by an independent Commission, Chaired by Dame Kate Barker and made up of other leading economic, business and political figures. The Commission have engaged thoroughly across Cambridgeshire and Peterborough to inform their views, holding two rounds of open public consultation, as well as targeted sessions with local authorities and in local communities.
- 2.3. During the course of the CPIER being produced, Government has published the UK Industrial Strategy which calls for local areas to bring forward Local Industrial Strategies in line with national priorities and reflecting local characteristics.
- 2.4. The recommendations of the CPIER have been underpinned by the engagement alongside a wealth of new analysis and modelling undertaken for the Commission. This evidence brings fresh in-depth understanding of the local business community, specific issues like skills provision, and models for future land-use.
- 2.5. Government has been involved in the emerging evidence-base and findings of the Review and have commended the approach as an exemplar foundation for developing a Local Industrial Strategy.

2.6. The final CPIER has now been published as is available at; www.cpier.org.uk. It articulates informed views on:

- (a) The true value and significance of the Cambridgeshire and Peterborough economy to the UK
- (b) The characteristics, current strengths, and key future opportunities for this area
- (c) The main threats to achieving our growth potential
- (d) A range of policy recommendations to achieve future prosperity and inclusive growth, to the benefit of the local area and the country

Developing our Local Industrial Strategy

2.7. As established by the Combined Authority in May 2018, the Business Board will be the custodians of the Local Industrial Strategy. This is an important local principle to emphasise – our Local Industrial Strategy will be very much led by local industry.

2.8. The Business Board have already agreed (in June this year) the principles by which the Local Industrial Strategy will be developed between September and December this year, with the following key stakeholders:

- a) Through engagement and involvement of the business and academic community, particularly including representatives from the sectors that are seen as strategic growth sectors and which align with those identified in the UK Industrial Strategy
- b) Through the engagement and involvement of the local authorities that make up the Combined Authority, including via the regular strategic policy setting mechanisms already in place for Members and officers
- c) In collaboration and partnership with Government, namely through the Cities and Local Growth Unit
- d) With the involvement and engagement of public service partners that have an interest in the future growth of the area, including but not limited to the health, police and fire sector leaders represented on the Combined Authority Board
- e) In alignment with the strategic corridors which Cambridgeshire and Peterborough is a partner in, including specifically the Cambridge – Milton Keynes – Oxford corridor which is a “national trailblazer” for emerging local industrial policy

2.9. This process will now begin in earnest, and a number of sessions in October are being arranged. Leading national experts in industrial strategy Metro Dynamics have been selected through a competitive process to support this process.

2.10. The Business Board are recommended to note the publication of the CPIER as a major milestone in the development of the LIS, and provide any comment at this point on its key findings.

3.0 FINANCIAL IMPLICATIONS

3.1. The Combined Authority has budgeted the provision of up to £45,000 to bring in the support to engage upon and produce the Local Industrial Strategy outlined in paragraph 2.9.

4.0 LEGAL IMPLICATIONS

4.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017.

5.0 SIGNIFICANT IMPLICATIONS

5.1. No significant implications beyond those set out in the report relating to the development of the Local Industrial Strategy.

6.0 APPENDICES

6.1. The Cambridgeshire and Peterborough Independent Economic Review is available electronically at <http://www.cpier.org.uk/final-report/>. Hard copy versions will also be made available for Business Board Members.

<u>Source Documents</u>	<u>Location</u>
UK Industrial Strategy	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

BUSINESS BOARD	AGENDA ITEM No: 2.2
24 SEPTEMBER 2018	PUBLIC REPORT

ASSURANCE FRAMEWORK

1.0 PURPOSE

1.1. For Board Members to agree the Business Board Assurance Framework.

<u>DECISION REQUIRED</u>	
Lead Member:	Chair of Business Board
Lead Officer:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: N/A	Key Decision: No
The Business Board is recommended to agree the current Business Board Assurance Framework:	Voting arrangements Simple Majority of All Members

2.0 BACKGROUND

- 2.1. In July 2014, the Government negotiated a Growth Deal with all 39 Local Enterprise Partnerships (LEPs), which awarded a significant proportion of the £12 billion Local Growth Fund to LEPs.
- 2.2. Government produced a National Assurance Framework to ensure that every Local Enterprise Partnership had in place the necessary systems and processes to manage the delegated funding from Central Government budgets effectively.
- 2.3. Each LEP then created a Local Assurance Framework which documented practices and standards which are necessary to provide Government and local

partners with assurance that decisions over funding are proper, transparent, and deliver value for money.

- 2.4. LEPs are required to review, refresh and sign off their Local Assurance Framework as the requirements set out in this Framework will be incorporated as a condition of funding in future Growth Deal grant offer letters
- 2.5. LEPs must submit a letter from their relevant Section 151 Officer to MHCLG's Accounting Officer by 28th February each year, certifying that the LEPs Local Assurance Framework has been agreed, is being implemented and meets the revised standards set out in the National Assurance Framework.
- 2.6. The Greater Cambridge Greater Peterborough (GCGP) LEP's Assurance Framework was signed off as compliant by its old Accountable Body, Cambridgeshire County Council on the 28th February 2018.
- 2.7. To ensure that the new Interim Shadow Business Board was fully compliant with Government requirements, a draft Assurance Framework was created for the newly formed Business Board based on the signed off GCGP LEP version and was agreed as compliant at the Shadow Business Board Meeting on the 30th April 2018 (*subject to an inclusion of a caveat referring to ongoing consultations regarding governance arrangements taking place. Please also see Agenda item 1.5 on Strengthened LEPs).
- 2.8. The Assurance Framework was reviewed by the Assurance Manager and updated in parts to include recommendations set out in the recent Government approved Mary Ney Review of LEPs.
- 2.9. In July 2018, Government published a further Review of LEPs which set out the expectations of their roles and responsibilities. Government will support LEPs to meet this level of ambition by working with them on a number of issues including strengthening leadership and capability, improving accountability and managing risk, and providing clarity on geography. These recommendations will need to be included in an updated Local Assurance Framework.

Next steps

- 2.10. Following the above LEP Review, revised Assurance Framework guidelines are due to be published in Autumn 2018 which will provide further clarity on the development of LEP delivery plans. A workshop on the Assurance Framework is being held in September by the LEP Network and being attended by the Assurance Manager who will then ensure that all new requirements are captured and included in the new Assurance Framework.
- 2.11. Looking ahead, we are seeking to develop a single Assurance Framework for both the Business Board and the Cambridgeshire and Peterborough Combined Authority. Currently both entities have separate Assurance Frameworks. By creating a single Assurance Framework, we could have a robust, singular framework that will bring cohesion to the work of the new single Officer team,

ensuring clarity, transparency and openness for Government, partners and members of the public around our governance and compliance processes, and a singular approach to the recommendation and decision-making processes of both Boards.

2.12. The new Assurance Framework would be developed in-house and then brought back to a future Board Meeting for approval. It would not only meet the criteria set out by Government, and best practice advice from both the Mary Ney and recent LEP Reviews, but also to be an example of best practice in the arena of compliance and governance.

3.0 FINANCIAL IMPLICATIONS

3.1. All of the work has been carried out in-house, therefore there are no significant financial implications to this activity.

4.0 LEGAL IMPLICATIONS

4.1. The approval of this document will ensure The Business Board is compliant with the requirements of Government.

5.0 APPENDICES

5.1. Appendix 1 – The draft Interim Business Board Assurance Framework

<u>Source Documents</u>	<u>Location</u>
<p>List background papers:</p> <p>The Business Board Meeting Minutes 30th April 2018</p> <p>The Business Board Assurance Framework</p>	<p>List location of background papers:</p> <p>http://cambridgeshirepeterborough-ca.gov.uk/assets/Business-Board/180430-Business-Board-minutes-Final.pdf</p> <p>Cambridgeshire and Peterborough Combined Authority, The Incubator 2, The Boulevard, Enterprise Campus Alconbury Weald, Huntingdon, PE28 4XA</p>



THE BUSINESS BOARD

Draft Assurance Framework

April 2018



CONTENTS

- 1. Introduction
- 2. Governance
- 3. Decision Making Arrangements
- 4. Ensuring Value For Money

Document verification:

Produced by:	Reviewed by:	Approved by:

Version number:	
File location:	

GLOSSARY

CA	Cambridgeshire & Peterborough Combined Authority
TBB	The Business Board

1. INTRODUCTION

1.1 The role of this document

1.1.1 This document has been created to clearly set out how ‘The Business Board’ (TBB) will use public money responsibly and transparently.

1.1.2 This document covers:

- The respective roles of TBB and its Accountable Body (The Cambridgeshire & Peterborough Combined Authority), and how decisions are made;
- How TBB ensures accountability, probity, transparency and value for money that is handled by TBB;
- How potential investments funded by TBB will be appraised, evaluated, prioritised, approved, and delivered;
- How the progress and impacts of these investments will be monitored and evaluated.

1.1.3 This document has been developed using three key principles:

- To draw together all approved assurance processes that already existed for TBB (and formerly the Greater Cambridge Greater Peterborough LEP funded programmes) into one place;
- To comply with relevant guidance and best practice advice issued by Government;
- To ensure the right processes are in place to ensure decisions over funding provide value for money and are made in an open and transparent manner.

1.1.4 This Assurance Framework sits alongside a number of other key documents, many of which are cross referenced or included as appendices to this document. This Assurance Framework has been developed in response to the Government’s National Assurance Framework guidance on governance and transparency¹, and the recommendations from the Mary Ney Review².

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/567528/161109_LEP_Assurance_Framework.pdf

2

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655188/Review_of_local_enterprise_partnership_governance_and_transparency.pdf

1.2 Keeping the Assurance Framework up to date

1.2.1 TBB reviews its Assurance Framework annually to ensure it is up to date and relevant for the work it is undertaking. However, there are a number of Government reviews currently taking place and over the coming months there will be consultations on further governance arrangements. This will lead to further work in reviewing and updating this document which will require formal sign off by The Business Board.

1.2.2 The Assurance Framework is owned by TBB and the Cambridgeshire & Peterborough Combined Authority (CA) and is reviewed by the CA Board. Compliance with the Assurance Framework is managed by the Compliance Manager.

1.3 Document Structure

1.3.1 This document is structured around three key sections:

- Governance
- Decision Making Arrangements
- Ensuring Value for Money

1.4 About The Business Board

1.4.1 TBB is committed to transparent and accountable decision-making processes. By bringing together TBB and the Cambridgeshire & Peterborough Combined Authority (CA) we combine the best of private sector expertise and public sector knowledge, transparency and accountability.

1.4.2 TBB was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough LEP³, to drive forward economic growth across its local area. TBB is now responsible for all former LEP projects and programmes.

1.4.3 TBB currently comprises 15 local authorities, however, moving forward Government are reviewing LEP geographies, consultations will take place and there may be changes to the current membership. The authorities that are current members are as below:

- Cambridgeshire County Council
- Peterborough City Council
- Cambridge City Council
- East Cambridgeshire District Council
- South Cambridgeshire District Council
- Fenland District Council
- Huntingdonshire District Council
- Uttlesford District Council
- North Hertfordshire District Council

³ <http://www.gcgpc.co.uk/2018/03/lep-update/>

- Rutland County Council
- South Kesteven District Council
- South Holland District Council
- The Borough of King’s Lynn and West Norfolk
- St Edmundsbury Borough Council
- Forest Heath District Council

1.4.4 TBB’s current area is set out below. The red line denotes the area covered by the CA:



1.4.4 In 2014, the Government announced the first wave of Growth Deals, making investment via its Local Growth Fund⁴. To date, TBB (via the former LEP) has been awarded £146m via three rounds of Growth Deal funding allocations.

1.4.5 In April 2016, the Government reviewed Growth Deal Assurance Frameworks in the context of new Devolution Deals and issued Single Pot Assurance Framework Guidance for devolved areas⁵. In July 2016, Cambridgeshire and Peterborough secured a Devolution Deal and began work to set up a new Combined Authority. Therefore, this new Guidance came into effect for TBB area from that date. In November 2016, the Government issued revised national guidance for LEP Assurance Frameworks⁶. The Combined Authority was formally established on 2 March 2017.

⁴ <http://www.gcgp.co.uk/local-growth-strategy/>

⁵ <https://www.gov.uk/government/publications/single-pot-assurance-framework-national-guidance>

⁶ <https://www.gov.uk/government/publications/local-enterprise-partnership-national-assurance-framework>

1.4.6 The CA acts as TBB's Accountable Body to undertake the public funding accountability responsibilities for administering funds and must also review and approve this Framework.

1.4.7 TBB provides leadership in the arena of economic growth across its area. Comprising business leaders from key industry sectors, it provides expert knowledge and insight into economic growth-related activities in its area and is leading the development of the Industrial Strategy.

1.4.8 TBB will comprise a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It will be chaired by a private sector representative and bring together some of the brightest entrepreneurial minds in our area.

1.4.9 The Chair and Vice Chair of TBB will be private sector representatives. The Chair will lead on building the reputation and influence of the area at a national and international level and will chair TBB meetings. TBB Chair will also be a voting member of the CA Board. The Vice Chair will be available to deputise for TBB Chair as required and will also be invited to attend the CA Board as an Observer.

1.4.10 TBB will have a designated small business (SME) representative, who will lead the engagement with small businesses across the area and represent their views at Board level. Given the make up of the local business community, this is a vital role on the Board.

1.4.11 All of TBB Board Members operate in an open and transparent manner and conduct themselves in accordance with 'The Seven Principles of Public Life'⁷, otherwise known as the Nolan Principles, and TBB's Code of Conduct.

1.4.12 Private Sector Board Members are recruited via an open, transparent, competitive and non-discriminatory process. With open advertisements and interviews to judge experience, suitability and fitness for the role.

1.4.13 TBB is committed to diversity and has a Diversity Statement in place to help guide Board Appointment decisions. TBB reflects the local business community, including geographies and protected characteristics.

1.4.14 TBB's Executive Team is provided via the CA Officer Structure, who operate as a single team for the CA and TBB. This includes an experienced Chief Executive, S151 Officer, Legal Counsel & Monitoring Officer, Directors, Programmes Managers, Finance and Compliance Officers and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.

⁷ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

2. Governance

2.1 This section describes the governance systems and mechanisms for funding managed by The Business Board and how the Accountable Body and TBB work together in decision making.

How the Combined Authority and The Business Board work together



2.2 TBB's Terms of reference describe the nature of the Company, its Board and core operating principles. Whilst the CA's Scheme of Delegation which details a named person, Board or Sub-Committee details financial decision-making.

2.3 TBB oversees the delivery of a business-led programme of interventions that will help to support the sustainable economic growth and continued prosperity of the TBB area. This is line with the CA's overarching vision and Strategic Economic Plan. In particular TBB will:

- ensure value for money is achieved;
- prioritise investments within the available budget;
- make decisions on individual investments with sign off by the CA Board;
- monitor progress of project delivery and spend; and
- actively manage the devolved budget and programme to respond to changed circumstances.

2.4 The Accountable Body will hold the funding and make payments to the delivery bodies on behalf of TBB. The Accountable Body will account for these funds in such a way that they are separately identifiable from the Authority's own funds, and provide financial statements to TBB as required. Any interest accrued on TBB's funds can and will only be used in accordance with a TBB decision.

2.5 The Accountable Body will undertake the following responsibilities:

- ensuring that recommendations for CA Board sign off and activities

of the TBB conform to legal requirements with regard to equalities, social value, environmental, State Aid, procurement etc.

- ensuring (through Section 151 Officer) that the funds are used appropriately;
- ensuring that TBB keeps an official record of its proceedings ;
- holding relevant financial documents ;
- responsibility for the decisions of TBB in approving projects in compliance with this Assurance Framework (e.g. if subjected to legal challenge);
- review grant offer letters/contracts ;
- review claim forms; and
- ensuring that the Assurance Framework is adhered to.

2.6 Grant offer letters / contracts with delivery partners will set out the specific requirements regarding conformity and adherence to the Assurance Framework in undertaking any work or delivering projects funded by TBB.

2.7 The role of Accountable Body and (where relevant) project promoter will need to be strictly independent of each other to provide assurance of no conflict of interest.

3. Decision Making Arrangements

3.1 Transparency

3.1.1 TBB and the CA are mindful of the need to build the trust and confidence of stakeholders and the public, in relation to our ability to take investment decisions. Promoting transparency in its decision making is a key part of this.

3.1.2 The CA by law must designate a Monitoring Officer, who is responsible for ensuring that decisions conform to the relevant legislation and regulation. This is the CA's Legal Counsel and Monitoring Officer. A key part of this role is to ensure that the legal responsibilities of the CA as accountable body, in relation to ensuring the transparency provisions are met, as set out below.

3.2 Meetings

3.2.1 Specific statutory requirements apply to the CA in relation to transparency. Additionally, it also complies with a number of good practice recommendations. The key arrangements in place are:

- At least two meetings of TBB Board Meetings will be open to the public and media to attend, except to the extent that the public and media are excluded in relation to confidential or exempt information
- Agendas and reports of meetings of TBB are available to the public on its website, in accordance with its Procedure Rules, five clear working days before a meeting
- TBB minutes are published within ten clear working days of the Board meeting taking place
- Minutes of meetings are published on TBB/ CA website
- Business case summaries of all projects/programmes coming forward for a decision are published on its website
- Key decisions taken by officers are published on TBB/ CA website
- TBB and the CA adheres to the Local Government Transparency Code which requires the publication of additional data, such as Strategic Economic Plans and information relating to progress on delivery of all key programmes

3.3 Requests for information

3.3.1 TBB, as part of the CA, is subject to the Freedom of Information Act 2005 and the Environment Impact Regulations 2004, and will respond to statutory information requests in accordance with approved procedures. The CA also deals with any requests for information from TBB, on its behalf, in accordance with the same procedures. The CA's Freedom of Information Policy is published on the website.

3.4 Providing information

3.4.1 An overview of all scheme business cases and evaluation reports are published on the CA website. A nominated point of contact is made available to receive public and stakeholder comments.

3.4.2 Summaries of business cases to be considered by TBB as part of the Assurance Process are published electronically ahead of meetings to allow for external views to be sought. There are exceptions to this rule in respect of commercial confidentiality.

3.5 Use of resources and accounts

3.5.1 The use of resources by TBB is subject to the usual local authority checks and balances, including the financial duties and rules which require councils to act prudently in spending. These are overseen by the CA's S151 Chief Finance Officer, who is its Finance Director. This post has statutory responsibility to administer the Combined Authority's financial affairs, and is responsible for ensuring that funding is used legally and appropriately.

3.5.2 TBB has clear accounting processes in place to ensure that all funding sources are accounted for separately and that funds can only be used in accordance with the TBB/ CA decisions. All of TBB and CA report templates allow for the Section 151 officer to provide comments under a 'financial implications' section.

3.5.3 TBB has a statutory duty to keep adequate accounting records and prepare a statement of accounts in respect of each financial year. This statement of accounts will be published as fully audited, although this will change in accordance with legislative requirements) and will cover expenditure from the Local Growth Fund and other funding sources received from Government.

3.6 Audit

3.6.1 As a local authority, the CA complies with statutory requirements relating to audit arrangements, principal elements of which are:

- Appointing an audit committee
- Inspection by external auditors
- Adopting internal audit arrangements

3.6.2 These audit arrangements apply to TBB funding in respect of which the CA is the accountable body.

3.6.3 The CA's Governance and Audit Committee fulfils the requirement to appoint an Audit Committee and must by law include at least one independent person. The role and responsibilities of this Committee include:

- Reviewing and scrutinising TBB's financial affairs
- Reviewing and assessing TBB's risk management, internal control and corporate

governance arrangements

- Reviewing and assessing the economy, efficiency and effectiveness with which resources have been used by the TBB
- Approving the review of internal controls and the annual governance statement
- Considering and approving the statement of accounts
- Considering external audit arrangements and reports
- Advising TBB in relation to the Assurance Framework

3.6.4 An annual independent audit is conducted by externally appointed auditors ensuring TBB (via the CA) operates a robust financial management and reporting framework, including reviewing whether TBB and the CA meets its statutory obligations in relation to grant funding.

3.6.5 TBB's internal audit function carries out independent and objective appraisals of relevant systems and processes, including ensuring that effective procedures are in place to investigate promptly any alleged fraud or irregularity.

3.7 Scrutiny

3.7.1 The CA is required by law to appoint an Overview and Scrutiny Committee. This committee is authorised to:

- Review or scrutinise decisions made, or other action taken, in connection with functions of the CA and TBB
- Make reports or recommendations to the CA and TBB with respect to their functions
- Receive and monitor responses to any reports or recommendations made

3.7.2 The Committee may therefore scrutinise any decision of the CA made in its role as accountable body for TBB. This provides an additional safeguard in relation to TBB decision-making.

3.7.3 The independent element of this scrutiny is safeguarded by a requirement that membership of this Committee cannot include any member of the CA or TBB. It comprises elected Members from its constituent and non-constituent councils.

3.8 Code of Conduct

3.8.1 In relation to TBB, all TBB members are subject to a TBB Board Members' Code of Conduct which reflects the Nolan Principles of public life:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

3.8.2 TBB Board Code of Conduct also requires TBB members to declare and register:

- Acceptance or receipt of an offer of a gift or hospitality
- Specific pecuniary and non-pecuniary interests

3.8.3 A register of the interests disclosed by each TBB member is published on the TBB area of the CA website. The Code sets out comprehensive requirements in relation to declaring interests at meetings, and the circumstances in which a conflict of interest will preclude a TBB member from participating in decision-making.

3.8.4 Each TBB Member shall review their individual register of interests prior to each board meeting submitting any necessary revisions to TBB and S151 officer at the beginning of the meeting. Any recorded interests relevant to the meeting should also be declared at this point. These declarations are minuted.

3.8.5 TBB Code of Conduct also details arrangements under which allegations that the Code of Conduct has been breached, can be investigated and for making decisions on such allegations. The Code of Conduct is published on the website.

3.8.6 In relation to the CA, there are statutory provisions that require the CA to adopt a Code of Conduct for its Members and voting constituent and non-constituent Members, including those on panels appointed by the CA. The Code sets out the conduct expected of members, including procedures for declaring and registering:

- Acceptance or receipt of a gift or hospitality
- Disclosable pecuniary interests, which are defined by the code

3.8.7 Failing to comply with requirements for registering and disclosing pecuniary interest may be a criminal offence.

3.8.8 The CA has also approved arrangements under which allegations that the Code has been breached can be investigated and for making decisions on such allegations.

3.8.9 The CA has also adopted a Code of Conduct for Officers, which also reflects the Nolan Principles of public life and requires officers to register personal and prejudicial interests. Officers also need to comply with a Gifts and Hospitality policy. Failure to comply with the Code may lead to disciplinary action.

3.9 Complaints and whistleblowing

3.9.1 TBB will consider any complaints received in accordance with its agreed complaints procedure, TBB has also adopted a confidential complaints procedure, which are both published on the website. Any complaints about TBB will be dealt with in accordance with the approved complaints process.

3.9.2 The CA and TBB have adopted a whistleblowing policy, which is published on the website, to investigate and resolve any case where it is alleged by stakeholders, members of the public or internal whistle-blowers that the CA and TBB are acting in breach of the law, failing to adhere to the framework or failing to safeguard public funds.

4. Ensuring Value for Money

4.1. Options Appraisal and Prioritisation

4.1.1 The identification of new projects to receive investment from Growth Funds is overseen by TBB and any relevant sub-groups or thematic panels established by TBB, who will adhere to the Assurance Framework and its appendices. This work is supported by an Independent Technical Advisor who provides impartial advice upon which to base funding decisions. Appendix 1A describes the assessment process for projects to be funded from the Local Growth Fund or Growing Places Fund. Agri-Tech projects are considered by a Programme Delivery Board for investment under the Agri-Tech Initiative which is shown in Appendix 1B.

4.1.2 The range of interventions funded by TBB will be kept under review by the CA in line with its key priority areas. At the same time, work will continue on developing a robust pipeline of new projects to attract further private and public sector investment. This will continue to identify options that are deliverable, offer high value for money, maximise social value, and provide wider benefits to TBB area. Option concepts may be “bottom-up” (derived from a call for projects or direct approach by businesses / delivery bodies) or “top-down” (through a strategic commissioning route). Where the TBB uses a commissioning approach, opportunities for partners to present proposals will be openly advertised on TBB’s website and communicated via sub-groups and wider stakeholder community.

4.1.3 TBB has developed a clear basis against which such projects and programmes are identified, appraised and prioritised, although the level of assessment needs to be proportionate to the scale and type of project (for example the Agri-tech programme requires a Pre-Qualification Questionnaire and then a single stage of Business Case application). Detail of the process for each funding type is set out in the relevant appendices, and is summarised below and on the TBB website.

4.2. Initial Sifting – Expression of Interest

4.2.1. When a new opportunity for funding is announced, TBB, programme boards, panels, Local Authorities, and key delivery partners are asked to identify candidate projects for their geographic and priority areas for consideration, provided that they demonstrably meet the criteria outlined in the Table below. These should also be drawn from the Strategic Economic Plan and other long-term planning documents such as Local Plans and Local Transport Plans.

4.2.2. A proforma is provided to capture consistent information on each proposal and the completed proforma should be no longer than four pages. Members of the public and the business community will also be able to identify projects, and the proforma will be published and publicised on the TBB website. The proforma will capture the key elements of the proposed project such as but not limited to the following themes and criteria, including the funding sought. The proforma and all supporting information is made available on TBB’s

website.

Table 4A) TBB Standard Project Criteria

THEME	CRITERIA
Purpose and Type	The primary proposal of the project should be to support local economic growth within TBB's wider area. Project types include, amongst others, transport, digital, water and flooding, housing and planning, regeneration and public realm, employment sites, business support, skills and employment, innovation.
Strategic Impact and Objectives	The objectives and impacts / constraints addressed of the project need to be aligned with each other and to the objectives of the Strategic Economic Plan (and wider long term planning documents such as a Local Plan) to show how it would have a positive impact across a defined geography. In addition, an outline of the impacts of no investment should be included (the 'do nothing' option).
Cost Threshold and Type	The total costs of the project, along with funding sought from the TBB. Requests for funding from TBB can be for capital, revenue or both, but noting that Growth Deal funding is capital only.
Financial Requirement and Funding Sources	Details of match funding to be provided should be included in the bid, subject to individual programme requirements. Funding should be sought where there are no other realistic options (that is where there is a funding gap), and the other sources of funding, their amount, and their likelihood stated. Details of other funding sources considered and disregarded should be provided.
Deliverability and Risk	The proposed project needs a reasonable degree of public support, and should be both affordable and deliverable within a clearly defined timescale. Key risks should be identified with proposed management and mitigations outlined to reduce/manage those risks.

4.2.3. All applications go through an initial sifting process, assessed against the criteria highlighted above. This initial sifting process will be undertaken by TBB officers with specialist support if required. Any projects that do not have a strong Strategic Fit and perform poorly against the criteria will not be taken further, with feedback being given to the project promoter. TBB reserves the right to decide not to include a project in the prioritisation process if key information is missing or if it is not based on a robust set of assumptions. However, the Strategic Case may be revisited if a significant period has lapsed or circumstances changed since the outline application / Expression of Interest made. A provisional allocation of funding at outline stage does not guarantee that a full Business Case application will be approved.

4.3 Strategic Prioritisation – Strategic Outline Business Case

4.3.1 Projects that pass through the initial sifting stage will be allocated to project pipeline lists relating to the priority area or areas they most strongly align (e.g. skills, innovation, employment, housing, transport). Project promoters are then invited to develop and submit a Strategic Outline Business Case using a template provided by TBB.

4.3.2 TBB requires the Strategic Outline Business Case to be developed with adherence to HM Treasury's The Green Book: Appraisal and Evaluation in Central Government. The guidance sets out how a business case in support of a new programme or new project must evidence that the project has a strong:

- Strategic case – the intervention is supported by a compelling case for change that provides a holistic fit with other parts of the organisation and public sector;
- Economic case – the intervention represent best public value; Commercial case – the proposed deal is attractive to the market place, can be procured and is commercially viable;
- Financial case – the proposed spend is affordable; and Management case – what is required from all parties is achievable.

4.3.3 For transport projects, Strategic Outline Business Cases will be assessed by the Independent Technical Advisor using a modified version of the Department for Transport's Early Assessment and Sifting Tool. The Independent Technical Advisor will compile the first stage of a Strategic Prioritisation Report containing recommendations to the TBB Transport Panel for comment and approving recommendations for TBB Board. Feedback will be provided to the project promoter. Non-transport projects will go through a similar assessment process alongside other projects within the same theme, ie skills, business growth, innovation.

4.4. Project Appraisal and Investment Decisions

4.4.1. Detailed Project Appraisal and Value for Money

4.4.1.1 Once projects have been prioritised, TBB will inform project promoters that projects have been granted programme entry and need to be developed to Outline and Full Business Case stage in order to access funding (subject to any specific exceptions given in the programme appendices). Business cases must be in line with HM Treasury's Green Book: Appraisal and Evaluation in Central Government and relevant Central Government Department Guidelines such as the Department for Transport's WebTAG proportionate to the scale of the project.

4.4.1.2 Business case development must follow a reasonable and robust approach, and provide a high degree of certainty that the project will deliver 'high' value for money. That is, a Benefit Cost Ratio of two-to-one (2:1) or greater.

4.4.2. Stage 0 – Agreement of Approach

4.4.2.1 Project promoters have the opportunity to seek early advice on whether their business case development and appraisal approach is proportionate and fit-for-purpose, particularly in relation to any modelling that might be required and to the assessment of social and distributional impacts.

4.4.2.2 Proportionality should reflect the nature, value, impact of the project, and time available. This can prevent abortive work from being conducted by project promoters, the Independent Technical Advisor, the Local Transport Panel, TBB Board, and the Accountable Body by not presenting under-developed project business cases for final assessment and quality assurance.

4.4.3. Stage 1 – Draft Outline Business Case

4.4.3.1 The first stage of project appraisal is the development of a Draft Outline Business Case by the project promoter for each of its prioritised and shortlisted projects. Project promoters are aiming to demonstrate 'high' value for money. Environmental and social and distributional impacts are a key element of the value for money equation. Project promoters will need to be mindful that there could be both potential synergies and conflicts between these. Project promoters should consider the spatial distribution of positive and negative impacts, whether the impacts are very large for a small number of users or dispersed over a larger number of users. Analysis should also attempt to identify who are the 'winners' and 'losers' and to what extent. The business case work must make any such synergies and conflicts explicit and should propose suitable mitigation where relevant.

4.4.3.2 Where TBB is developing a programme of projects which are seeking funding approval at the same time, Draft Outline Business Cases will be assessed together by the Independent Technical Advisor. This will help ensure consistency of approach and fair assessment. Feedback will be given to the project promoter and TBB through a Draft Outline Business Case Assessment Report. The report will not only make recommendations for project business case progression or amendment, but also contain assessment of the adherence and proportionate and robust application of government guidance (with a greater focus on the strategic case and economic case), the reasonableness of the approach, the level of uncertainty in assuring value for money and key risks, and key recommendations for improvement.

4.4.3.3 The Independent Technical Advisor may recommend a project is not prioritised for development of a Full Business Case and amended for the same or a later bidding round if time permits; or recommend approval for the development of a Full Business Case. The Steering Group will review the list of projects for amendment and the list of projects for Full Business Case development, then make its recommendations to the relevant programme board / panel, before they make their recommendation to TBB Board for approval.

4.4.4. Stage 2 – Revised Outline Business Case

4.4.4.1 The development of a revised Outline Business Case has a far greater emphasis on commercial, financial and management cases, ensuring arrangements are appropriate for effective delivery, including necessary statutory and procurement requirements (as appropriate). The revised Outline Business Cases seeking funding approval by TBB and Accountable Body should be assessed together by the Independent Technical Advisor, with feedback provided to the project promoters and TBB through a Revised Outline Business Case Assessment Report. Similar to the Draft Outline Business Case Assessment Report, the report will contain assessment of the adherence to a proportionate and robust process (with an equal focus on all five cases), the reasonableness of the approach, the level of uncertainty in assuring value for money and key risks, and recommendations for funding approval or amendments to the business case.

4.4.4.2 The Revised Outline Business Cases, the report and its recommendations for funding, will be reviewed by a programme steering group, which may make recommendations to any relevant established Sub-Boards, before they in turn make recommendations for funding approval to TBB and the Accountable Body.

4.4.5. Stage 3 – Department for Transport Retained / Portfolio Projects

For projects that have funding retained by the Department for Transport, Stage 3 is the review for the business case submission to the Department for Transport. In these instances, the role of the Independent Technical Advisor to review the business case and provide professional advice to the Accountability Board of any key risks or issues arising from that assessment that need to be considered by the board to support the associated decision for funding.

4.4.6. Stages 4 and 5 – Full Business Case

For large projects over £5 million it is unlikely that project promoters will have already been through procurement and detailed design following the Outline Business Case. These projects; those considered high risk by the relevant programme board / panel; or for those where increases in costs might jeopardize 'high' value for money, are likely to be required to go through these stages to develop a Full Business Case, to further reconsideration and approval of the Value for Money assessment.

Stage 4 is commensurate with Stage 0, outlining the approach, process, procedures and timescales for development of the Full Business Case.

Stage 5 is the production and assessment of the Full Business Case. It is not anticipated that this process is iterative. Based on the Assurance Review, recommendations are made by the Independent Technical Advisor to the programme board / panel to on the Value for Money Assessment and the certainty of that assessment's accuracy. The relevant programme board / panel will then make a decision whether or not to recommend the project received funding (see Value for Money below).

4.4.7. External Scrutiny of Business Cases

4.4.7.1 Where relevant, the project sponsor must engage stakeholders as part of the business case development process and include the results of this engagement in the business case documents. Each Programme will set out the requirements for the publication of Business Cases and results of Business Case Assessments. Commercially sensitive information will be redacted.

4.4.7.2 Any public or stakeholder representation on the business cases must be considered by TBB Board and the Board must demonstrate how such representations have been considered.

4.4.7.3 The results of the relevant Independent Technical Advisor's assessment will be published as supporting papers for TBB and its programme boards / panels, as well as being made publically available and publicised on TBB's website, in sufficient time for members of the public, business community and other stakeholders to make representations to TBB or its programme boards / panels. This is mainly relevant to the consideration of funding for transport schemes, but may be applicable to other large capital TBB investments.

4.4.7.4 Commercially sensitive information may need to be redacted in line with the Freedom of Information Act 2002.

4.4.7.5 Public or stakeholder representation on the business cases must be considered by TBB, and the Board must demonstrate how such representations have been considered.

4.4.8. VfM / Benefit Cost Ratio

4.4.8.1 At each stage of business case sign off, the Section 151 Officer of the Accountable Body will require production of a Value for Money Statement which will summarise the economic case for the project and include an overall Benefit Cost Ratio. This will allow comparison of the monetised benefits with the costs; allow stakeholders to understand the potential costs, benefits and impacts; and allow the Section 151 Officer to sign-off the Value for Money Statement, or not, after TBB has approved funding. The Section 151 Officer should engage the relevant Independent Technical Advisors throughout to advise on whether delivery of the project is likely to result in 'high' value for money – a Benefit Cost Ratio of 2:1 or greater. A final draft Value for Money statement should be provided for review by the Section 151 Officer before a TBB recommendation and a CA Board decision is made.

4.4.8.2 Projects with a Benefit Cost Ratio of less than 2:1 will not normally be funded unless wider appraisal evidence provides a compelling case for investment. Such compelling circumstances could include where a project is required to unlock a barrier to growth or deliver wider economic benefits without detriment to the other cases of the business case; or where the time, effort and / or cost of monetisation of other economic, environmental and / or social and distribution impacts is too great for the value for the project and time available, but likely impacts would be to raise the Benefit Cost Ratio to or above two-to-one.

4.4.8.3 Where this occurs project promoters will be required to justify the investment through provision of an evidence base and a proportionate analysis of benefits not included in the central benefit-cost analysis, and to demonstrate how these help deliver the objectives of the Strategic Economic Plan

4.4.9. Project development costs

4.4.9.1 The project promoter is responsible for all up-front costs at each stage of the business case development. Reasonable costs for the Independent Technical Advisors' independent assessment and TBB prioritisation will also be required to be covered by project promoters. TBB will consider requests to forward fund project development costs in exceptional circumstances.

4.4.10. Sign-Off, Release of Funding and Conditions

4.4.10.1 If funding is approved, a formal agreement will be issued between the Accountable Body, TBB and the project promoting body setting out the conditions under which the devolved funding is to be spent and the respective responsibilities, and for ensuring the conditions are adhered to. The Accountable Body will not release funding until TBB and CA Board has approved funding and the Value for Money Statement has been signed-off by the Section 151 Officer of the Accountable Body. A final draft Value for Money statement should be provided for review by the Section 151 Officer before a Board decision is made.

4.4.10.2 If the Accountable Body's Section 151 Officer does not agree that a decision of the TBB and CA Board is in line with this Assurance Framework and therefore does not agree to sign-off the Value for Money Statement, the Accountable Body will propose a means of resolution with TBB, informing the relevant programme board / panel, project promoter, and Independent Technical Advisors as relevant.

4.4.11. Programme and Risk Management

4.4.11.1 As part of their funding agreement with TBB, project promoters are required to provide clear project milestones for delivery.

4.4.11.2 Any risks to the delivery of a project should be made clear from the outset and monitored regularly. A robust system of risk management will be put in place for individual projects overseen by TBB. This will enable spend profiles to be effectively monitored and managed by project promoters, the Accountable Body, TBB and any of its programme boards / panels.

4.4.11.3 The project promoting body is responsible for informing the Accountable Body and TBB of any significant changes to a project's scope, costs and implementation timetable. The Accountable Body and TBB (and its relevant programme board / panel) will consider any necessary remedial actions.

4.4.11.4 Each project promoter will submit regular monitoring reports to TBB and the Accountable Body, generally on a quarterly basis as a minimum, which will confirm the

programme and budget pre-delivery for each project, along with costs and delivery progress against programme during delivery, and identify any changes and highlight any key issues. This information will be used to identify project specific risks and issues, and will enable the overall programme to be managed.

4.4.11.5 As defined in the relevant Programme, the Accountable Body will undertake regular audits of the financial process by requesting evidence from the project promoter that funds are being spent on the specified capital project. The Accountable Body will advise TBB of any concerns or irregularities.

4.4.11.6 TBB will not be liable to fund increases in costs in full or part. These must be met by the project promoter. Delays to a project start as specified in a funding agreement may result in the withdrawal of a funding allocation to enable TBB and Accountable Body to bring forward another project that is deliverable within the timescales

4.4.11.7 Full project-level risk analysis and mitigation/contingency plans are required for each scheme as part of the application process and in developing the business case.

4.4.11.8 The CEO has overall responsibility for the identification and management of project, programme and portfolio risk, but the day-to-day coordination of corporate risk management activities is undertaken by S151 officer, responsibility for management of risk sits with relevant risk owners.



BUSINESS BOARD	AGENDA ITEM No: 2.3
26 SEPTEMBER 2018	PUBLIC REPORT

GROWTH PROSPECTUS 2018/19

1.0 PURPOSE

- 1.1. The Local Growth Fund was established by Government in 2014 and distributed across England via Local Enterprise Partnerships (LEPs) via a process known as Growth Deals. By 2021, some £12 billion will have been invested through Growth Deals.
- 1.2. The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive Growth Deals with Government between 2014 and 2017, securing £146.7 million to deliver new homes, jobs and skills across the LEP area.
- 1.3. Of this allocation, £75 million has been contractually committed to projects, many of which have completed or are in the final stages of construction. A further £22.8 million is provisionally allocated to five further schemes, each requiring a full Business Case for Growth funding which will be presented for consideration to the Business Board.
- 1.4. Subject to the outcome of the provisional schemes, there is just under £50 million from Growth Deal left to commit.
- 1.5. In addition to the Growth Deal, GCGP secured £16.1m from the Growing Places Fund to establish a recyclable pot of grants and loans for projects delivering economic benefit across the region. £7 million remains, bringing the total capital funding available to just under £57 million.
- 1.6. This paper provides background and strategic context to the Growth Funds and recommends that the Combined Authority issue a Growth Prospectus in October 2018. The Prospectus will invite proposals from businesses and partners to help the Combined Authority deliver new jobs, skills and improved productivity.
- 1.7. Subject to release of funds from Government and Due Diligence processes, the Board can expect to receive applications for consideration and approval from November onwards. Allowing time for contract negotiations, the first major new schemes should be ready to start by April 2019.
- 1.8. At its meeting on the 24 September the Business Board will be asked to approve the Prospectus and if agreed, the Combined Authority Board will be asked to ratify the Business Board's decision.

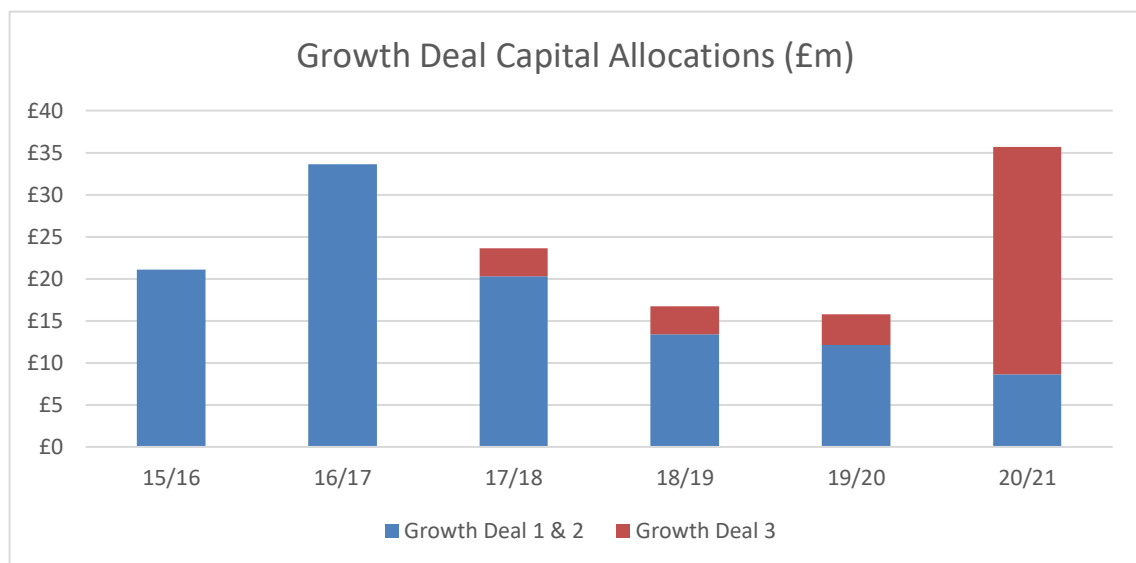
<u>DECISION REQUIRED</u>	
Lead Member:	Chair of Business Board
Lead Officer:	Harriet Fear, Interim Director, Business and Skills
Forward Plan Ref: N/A	Key Decision: Yes
<p>The Business Board is recommended to:</p> <p>(a) agree the draft Growth Prospectus 2018/19 and the programmes contained therein, subject to final version to be signed off by Chief Executive (Acting);</p> <p>(b) agree provisional allocations for each programme within the Prospectus, subject to review and cashflow within Growth Deal and Growing Places Fund budgets;</p> <p>(c) agree processes for due diligence and appraisal, subject to review; and</p> <p>(d) note that applications and business cases will be brought to the Business Board for consideration and recommendation to the Combined Authority, from November 2018 onwards.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. Growth Deals provide capital funding to local economies via Local Enterprise Partnerships (LEPs) to help overcome strategic barriers to growth - from road improvements and incubator space, through to new skills facilities and space for innovation. In 2013, Government asked every LEP to negotiate a 'Growth Deal' to drive forward economic growth in their areas, having set aside £2 billion a year for six years from 2015/16 to 2020/21 in a Local Growth Fund. To guide these negotiations Government asked each LEP to express its offer through a Strategic Economic Plan.
- 2.2. In July 2014, the government announced details of funding received by each LEP over the period 2015 - 2021. In January 2015, the government expanded these deals, with LEPs awarded a further £1 billion in total between 2016 and 2021.
- 2.3. The 2016 Autumn Statement confirmed the government would award a third round of Growth Deal funding, worth £1.8 billion. Of this, £556 million will be awarded to LEPs in the North of England, £392 million to LEPs in the midlands, £151 million to LEPs in the east of England, £492 million to LEPs in London and the South East and £191 million to LEPs in the South West.

- 2.4. Greater Cambridge Greater Peterborough LEP (GCGP) secured just under £110 million through Growth Deal via the first two rounds of negotiation with Government in 2014 and 2015. In 2016, GCGP submitted a programme proposal for a third allocation and was successful in securing a further £37 million, bringing the total allocation to £146.7 million.
- 2.5. Table 1) below shows how the area’s allocations are spread over the six years of the programme. The programme budget is weighted towards expenditure in the final year of the programme, 2020/2021. The Growth Deal funds must be spent from 2015/16 to 2020/2021 – programme outcomes can be delivered beyond 2021.

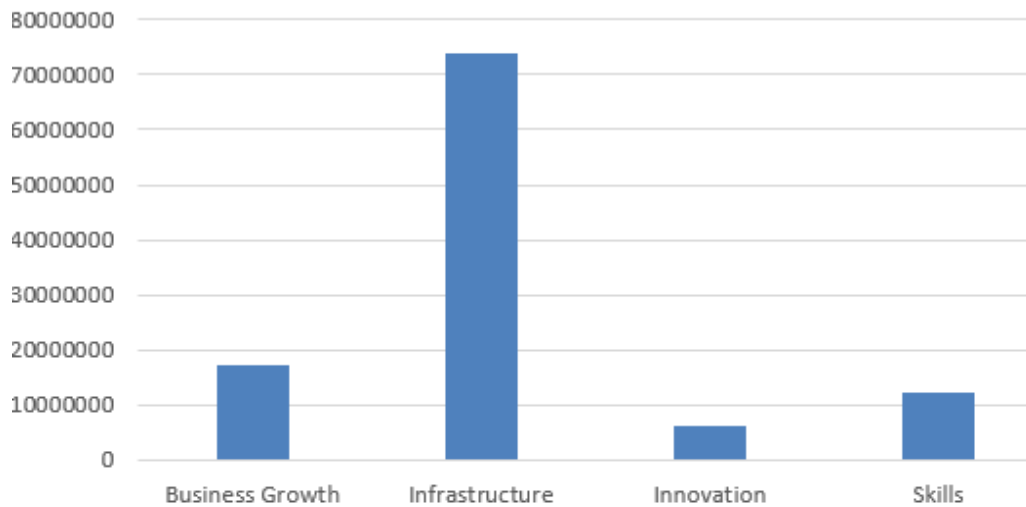
Table 1) Greater Cambridge Greater Peterborough Growth Deal allocation by year, 2015-2021



- 2.6. Of the total allocation, £75 million has been contractually committed to projects, many of which have completed or are in the final stages of construction and a further £22.8 million is provisionally allocated to five further projects. Each of the provisional schemes need to develop a full Business Case for funding which will be presented for consideration to the Business Board in the first instance. Combined Authority programme managers are working with the project delivery leads for each provisional scheme to develop the business cases in recognition that there is pressure to fully commit the programme and ensure that the full allocation from Government can be spent by 31 March 2021.
- 2.7. The majority of Growth Deal funding allocated to date has been awarded to infrastructure and transport schemes as shown in table 2).

Table 2) Allocations by theme – Growth Deal 1 and 2

Allocations by GD Theme - GD 1 & 2



- 2.8. In addition to Growth Deal, GCGP secured £16.1m from the Growing Places Fund to establish a recyclable pot of grants and loans for projects delivering economic benefit across the region, and a significant proportion of this has been repaid. £7.8 million was part of the transfer of funds from the LEP to the Combined Authority on 1st April 2018, and of this £7m is available for allocation to new projects or other investment.
- 2.9. An updated programme position for both Growth Deal and Growing Places Fund is reported to the Business Board and Combined Authority Board every month which includes full lists of schemes and their current spend profiles. As Accountable Body for the Growth Deal funds, the Authority provides a comprehensive programme monitoring report to Government every quarter. A summary of the Q4 1718 monitoring report was included within July 2018 update paper. A summary of the Q1 1819 monitoring report will be included in the October 2018 update paper.
- 2.10. The Growth Deal allocation from Government was awarded on the basis that the funding would be used to create **22,500** jobs and **10,440** new homes. While the programme is broadly on track to deliver homes targets (subject to an external evaluation of projects' delivery), it is behind on jobs outcomes with around 12,000 jobs currently forecast through contracted schemes.

3.0 Strategic Context

2030 Vision

- 3.1. The £56 million unallocated Growth funds provide the Authority and its partners with an opportunity to create thousands of new jobs, new companies and in turn improve productivity. This supports the headline devolution ambition to double GVA and all the themes within the 2030 Vision, but in particular;
- Access to a good job within easy reach of home
 - A workforce for the modern world founded on investment in skills and education; and

- UK's capital of innovation and productivity.

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- 3.2. The Cambridgeshire and Peterborough Combined Authority and Business Board have commissioned an Independent Economic Review (CPIER) to provide a clear understanding of the priorities which will help business and political leaders to unite behind a common strategy.
- 3.3. The Review will consider how a coherent economic growth strategy can be developed for the Greater Cambridge Greater Peterborough economy, and will be used by the Combined Authority and the Business Board to inform the development of a Local Industrial Strategy and associated investments.
- 3.4. The Review is informed by an Independent Economic Commission, which includes prominent experts in the fields of business, academia and economics. An interim report was published in May 2018¹ and the final report will be reported to Board in September 2018.

Industrial Strategy / Local Industrial Strategy

- 3.5. The Government has set out a long-term plan to improve productivity and improve people's earning potential, known as the 'Industrial Strategy'. The Business Board is developing its local response to the Industrial Strategy, and the themes within this prospectus are in line with that emerging response. We have re-focused our Growth Deal programme to support local economic growth delivering new homes and jobs, improving skills levels and increasing productivity.
- 3.6. The programmes within the Prospectus support projects which secure our role as a leading place for innovation-led growth as well as providing quality environments for people to work, study and carry out research.

¹ Cambridgeshire and Peterborough Independent Economic Review interim report May 2018

- 3.7. As new applications for Growth funds are received, they will be considered in the context of the developing Local Industrial Strategy which will be finalised in Spring 2019.
- 3.8. As shown in Table 2) Growth funds investment to date has been mainly focused on transport and infrastructure schemes, investing in city centre roads and cycleways in Peterborough, a new southern bypass at Ely and a railway crossing on the A605 at Whittlesea. It is proposed that the remaining funds be directed towards enabling **job creation, business growth and innovation**.
- 3.9. As well as these policies and strategies which guide the new Growth Prospectus, the Combined Authority has been working on its Investment Strategy which will be brought to a future meeting of the Board. The Combined Authority considered an initial paper on the Investment Strategy in July 2017. This included key principles which could be incorporated into funding approaches via the Growth Prospectus – these were;
- **Borrowing against capital** – Government has committed to grant Mayoral Combined Authorities the ability to borrow against their capital devolved funds, thereby enabling a more flexible approach to investment and multiplying the total capital available.
 - **Recycling capital** – to maximise the benefit of the Fund, recycling is key. This means recovering and reinvesting the benefits into other projects where possible, thereby maximising the ability to leverage private sector inward investment and socio-economic outputs (in some cases it will not be possible to recycle capital).
 - **Investment by way of debt or equity** – the funding approach towards individual projects will draw upon a blend of public and private sources of capital to efficiently bring projects forward. Capital can be supplied in the form of debt (fixed term basis, typically secured against the asset) or equity (recoverable via an agreed coupon and/or profit share should predetermined criteria be met).
 - **Innovative delivery models** – attract private sector and other public sector capital to the area by innovative use of Joint Venture models, partners and funding solutions.
 - **One pot principle** – with the devolution agreement, the CPCA established that all funding would be managed as a single pot – allowing the Combined Authority to align with other sources of public capital that have been allocated to the area.
 - **Maximising outputs** – measurable economic outputs founded on a robust evidence base (as will be provided by the Economic Commission) will ensure maximum benefit from the capital available. Once the Fund builds a reputation of delivering projects and economic outputs, the ability to secure additional public funding (including through further devolution) is likely to increase.

4.0 Proposed Programmes and Allocations

- 4.1. The draft Growth Prospectus 2018/19 is provided as Appendix 1. The draft requires some further detail, notably addition of case studies and some further example application forms and guidance notes. The final version will require approval by Chief Executive prior to publication.

4.2. Allocations per programme will not be set out within the Prospectus itself, as they may change subject to the recommendations of the CPIER and the emerging Local Industrial Strategy. Broad allocations per programme are set out in table 3) below and shown as a percentage of the funding being made available through the Prospectus.

4.3. Allocations have been guided by the need to direct funding toward business growth and the creation of new jobs. With our remaining funding, we will invest in projects that have an emphasis on creating new job opportunities through delivery of new employment infrastructure.

4.4. Provisional allocation figures are gross of a contribution to the revenue costs of administering the programmes.

Table 3) Proposed Programmes and Allocations 2018-2021

Programme	Type of investment	Provisional programme allocation £	Allocation as a % of overall funds
Small Grants Programme*	Grants between £2,000 and £20,000 to enable SMEs to invest, grow and create jobs	300,000	0.53%
Business Growth Programme	Loans between £20,000 and £3 million to support businesses to invest, grow and create jobs	9,700,000	17%
Eastern Agritech Initiative**	The Agritech programme comprises two types of fund; an Agri-Tech Growth Fund, which provides grants between £10,000 and £150,000 to support product development and improve agricultural productivity; and a Research, Development and Prototyping Fund, which helps to support the research and development of new product or processes with grants of between £10,000 and £60,000	6,000,000	11%
Skills Capital Fund	Grant support to training providers wishing to invest in specific equipment or facilities, in response to demand from local employers and in line with emerging Local Industrial Strategy. It is expected the fund will award four grants of £500k each.	2,000,000	4%
Major Projects	Loan or grant funding, or other proposed models of investment, into major capital projects seeking £3 million and over. We expect to make an average investment of £5,000 per job - eg., if a project were to receive £5 million of Growth Deal investment, we would expect at least 1,000 jobs to be directly created as a result.	39,000,000	68%
Total		57,000,000	100%
NOTES: *£67k remains unspent from previous programme as was replaced by ERDF **New Anglia Local Enterprise Partnership provided £1 million match-funding to the previous Agritech programme and has been approached to support the new funds.			

4.5. The Prospectus includes a capital fund for skills projects – aimed at providing specialist equipment or infrastructure to enable activities which underpin growth in the area’s key sectors.

4.6. As well as providing investment into business growth via a range of funding programmes outlined above, the Combined Authority is inviting applications for

loan or grant funding, or other proposed models of investment, into major capital projects seeking £3 million and over.

- 4.7. These allocations will be reviewed as projects are approved and if it is felt necessary will be reconsidered at future meetings of the Board. The total funds available are also subject to the outcome of the development of the five schemes with provisional allocations. In an extreme scenario, should none of these schemes go forward to Business Case and be approved by the Board, a further £22.8 million would become available.
- 4.8. With just under £50 million Growth Deal funds available, we expect to deliver at least 10,000 new jobs, which equates to an average investment of £5,000 per job. For example, if a project were to receive £5 million of Growth Deal investment, we would expect at least 1,000 jobs to be directly created as a result.
- 4.9. The recycled pot known as the Growing Places Fund does not have firm Government targets and so can potentially be used to support activities which do not produce as many direct jobs in the early stages, for example investment in innovation, 'spin-outs' or start-ups, but which still support the emerging Local Industrial Strategy.

5.0 Programme Criteria

5.1. Government has the following absolute requirements of Local Growth Fund investment:-

- Capital funding only
- Spend by 31 March 2021
- Invested in activities which drive growth and lead to new jobs and homes.

5.2. In addition to the above, the following additional CPCA criteria are proposed:-

- i) The Government has allocated Growth Deal funds to the Business Board as the Local Enterprise Partnership for the following local authority areas;
 - Cambridgeshire
 - Cambridge City
 - South Cambridgeshire
 - Huntingdonshire
 - Fenland
 - East Cambridgeshire
 - Peterborough City
 - Rutland
 - Suffolk – St Edmundsbury and Forest Heath, together referred to as West Suffolk
 - Hertfordshire – North Herts only
 - Essex – Uttlesford only
 - Lincolnshire – South Kesteven and South Holland
 - Norfolk – Kings Lynn and West Norfolk.
- ii) This prospectus is seeking applications for capital investment only. There is no revenue funding available through this prospectus.

- iii) The maximum investment to be provided as a proportion of total project cost (tpc) will vary from project to project to be determined by the Business Board. For the purpose of developing a Business Case for the Major Capital Projects, this is likely to be no more than 50%, and for business-facing funds (Small Business Grants, Business Growth Fund and Agritech) this is lower.
- iv) The Combined Authority does not have standard interest rates for loan investment. Loan terms are calculated on a scheme by scheme basis subject to applicant's creditworthiness and security being offered.
- v) Start Date - the funding period for projects will run from the date of approval by the Cambridgeshire and Peterborough Combined Authority (CPCA) or as specified within the funding agreement. Projects can start before this date, but any committed expenditure is at risk and makes no obligation to CPCA prior to funding approval.
- vi) End Date – Growth Deal funding must be spent at the latest by 31 March 2021, or earlier as specified within the funding agreement. Practical completion for projects can be a later date. Deliverability of projects will be an important factor in appraising proposals.
- vii) Applicants should seek their own advice on State Aids implications of the proposed project, and evidence of this will be sought as a condition of funding. Growth Deal funding cannot be used towards State Aids or other legal costs incurred by the project delivery body as part of the application process. CPCA will not reimburse legal or other costs incurred during applications, whether the application successful or unsuccessful in seeking funding.

5.3. Local Enterprise Partnerships must make investment decisions in a transparent and accountable way in accordance with Government guidance. As part of this, each LEP must produce and agree a Local Assurance Framework which sets out corporate governance processes and decision-making processes for investment. The Business Board's draft Local Assurance Framework is being considered in September 2018 but new guidance is expected from Government on Assurance in Autumn 2018.

6.0 Application, Due Diligence and Appraisal

6.1. The application process and outline guidance are set out within the Prospectus, attached as Appendix 1 to this paper. All programmes except major capital projects will launch on 8 October 2018. Applicants are requested to contact the Combined Authority to obtain full information regarding the programme in which they are interested in applying. This enables an initial discussion with the relevant team regarding eligibility and the suitability of the proposed project. A draft application form for the Small Business Grants Programme is provided as an example as Appendix 2 to this paper.

- 6.2. Potential applicants for major capital projects will be required to complete an Expression of Interest (EOI) form to determine eligibility. Organisations previously expressing interest applying for in Growth Deal will be contacted to confirm that the programme has opened, and will be required to complete a new EOI if they wish to submit a new proposal. No previous EOIs or proposals will be carried forward for consideration under the new programmes.
- 6.3. Once Expressions of Interests have been received, potential applicants will then be invited to submit a full Business Case to the Authority by 30 November 2018. Business Cases for Growth Deal funding are expected to conform with Treasury 'Green Book' guidance and the 5 Case Model².
- 6.4. Due diligence and appraisal will be initially managed by the Combined Authority. The Assurance Framework sets out how investment decisions are made for Growth Deal funds in a transparent and accountable way. Independent Technical Appraisals will be commissioned if needed, and in particular for large and complex schemes or new models of delivery.
- 6.5. Appraised schemes and recommendations will be brought to the Business Board for consideration from November onwards. It is expected that the first major capital projects will be brought to Board in January 2019.

7.0 Financial Implications

- 7.1. Sufficient cash funding for the contracted capital projects within the Growth Programme was received by the CA as part of the transfer of Accountable Body responsibilities in April 2018. There is currently £2 million in headroom within the Growth Deal budget (cash at bank) before further funds are required from Government.
- 7.2. There is also some £7 million available for reinvestment within the former Growing Places recycled pot, subject to cashflow and repayment of remaining loans.
- 7.3. The Authority is awaiting its 2018/19 Growth Deal allocation of £16,705,458 which is subject to Government's satisfaction on a number of conditions relating to the new Local Enterprise Partnership and the national LEP review. There will then be a further payment from Government of £15,875,346 at the end of March 2019 in respect of financial year 2019/20, meaning the Combined Authority will hold a total Growth funds pot of £42 million at the point at which most Major Capital projects are expected to start.
- 7.4. New Growth Deal allocations will be considered in the context of this cash profile from Government – the programme's funding is 'backloaded' to the final year 2020/21 with £35,737,637 allocated to that financial year.
- 7.5. Local Enterprise Partnerships must make investment decisions in a transparent and accountable way in accordance with Government guidance. As part of this, each LEP must produce and agree a Local Assurance Framework which sets out corporate governance processes and decision-making processes for

²

investment. The Business Board’s draft Local Assurance Framework is being considered in September 2018 but new guidance is expected from Government on Assurance in Autumn 2018.

8.0 Legal Implications

- 8.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government
- 8.2. The Business Board is responsible for programme direction of the Growth Funds. The Combined Authority, as the Accountable Body, maintains the legal agreements with project delivery bodies.
- 8.3. The Legal Team shall be responsible for placing any required contractual arrangements, usually through its current partnering arrangements with the Local Authorities

9.0 Significant Implications

- 9.1. The Growth Deal is a substantial funding agreement between the local area and Government, with scope for significant impacts on the growth of the local economy. Successful delivery has positive benefits to residents, businesses and workers within the Business Board area.

10.0 Appendices

- 10.1. Appendix 1 – draft CPCA Growth Prospectus 2018/19
- 10.2. Appendix 2 - draft application form - Small Business Grants Programme

<u>Source Documents</u>	<u>Location</u>
Local Enterprise Partnerships National Assurance Framework (November 2016)	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/567528/16_1109_LEP_Assurance_Framework.pdf
Draft Cambridgeshire and Peterborough Devolution Monitoring and Evaluation Framework (February 2017)	http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Monitoring-and-Evaluation-Framework.pdf
Cambridgeshire and Peterborough Independent Economic Review	http://www.cpier.org.uk/interim-report/
Treasury Green Book – Central Government Guidance on Appraisal and Evaluation	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

CAMBRIDGESHIRE AND PETERBOROUGH GROWTH PROSPECTUS 2018-19

Part One – Introduction to the Growth Funds

Introduction

Through this Prospectus, the Cambridgeshire and Peterborough Combined Authority (CPCA) invites businesses and partner organisations to support its ambitions for growth and apply to the CPCA for investment to deliver projects which will create new jobs and increase productivity.

The Growth Deal / Local Growth Fund

Growth Deals provide capital funding from the Government's Local Growth Fund to local economies via Local Enterprise Partnerships (LEPs). LEPs then invest in local projects which help overcome strategic barriers to growth - from road improvements and incubator space, through to new skills facilities and space for innovation.



HM Government

Between 2014 and 2016, the Greater Cambridge Greater Peterborough Local Enterprise Partnership successfully bid for three tranches of Local Growth Funding, via 'Growth Deals' with Government. The value of this programme is £146.7 million which must be spent between 2015 and 2021. Of this, around £98 million is committed to projects, leaving just under £50 million left to allocate.

Growth Deal is capital funding only, to be invested as loan or grant in projects or programmes which will have significant impact on growth in the LEP area.

All funding set out in the prospectus is available across the Greater Cambridge Greater Peterborough area - Cambridgeshire, Peterborough, Rutland, Kings Lynn West Norfolk, St Edmundsbury and Forest Heath (West Suffolk), North Hertfordshire, South Kesteven, South Holland and Uttlesford, Essex. This coverage may change subject to the outcome of Government's review of Local Enterprise Partnerships.

Part Two – Funds available through this Prospectus

Small Grants Programme

The Combined Authority's Small Grants Programme will support the growth of Small and Medium Enterprises (SMEs), offering grants of between £2,000 and £20,000 to support capital investment projects.

To apply for a grant you must be;

- a micro enterprise or SME that employs less than 250 people
- seeking to make a capital investment in your business, for example by purchasing new equipment or improving or expanding your premises
- planning to grow and employ more staff in the future. As a guide, for every £10,000 grant awarded we would expect to see at least one new job created.

Grants can only be issued against items that have not already been purchased or ordered. For further details please see Part Three – How to Apply.

Business Growth Programme

If seeking investment greater than £20,000 but less than £3 million, the Business Growth Programme is focused on unlocking jobs and accelerating economic growth.

Activities funded through the programme include;

- facilitating drivers of growth e.g. through loans for businesses to grow
- construction of new office, specialist (eg., lab) and general employment space
- infrastructure and access works to unlock commercial or mixed-used developments
- acceleration of delivery of Cambridge Compass and Alconbury Weald Enterprise Zones
- site servicing to support the creation of new employment space and new 'Productivity Zones'.

The Business Growth Programme will provide loan finance for capital projects – generally between £20,000 and £3 million. Projects should be able to pay back the loan in less than three years (although longer periods may be considered).

The Combined Authority does not have standard interest rates for loan investment. Loan terms are calculated on a scheme by scheme basis subject to applicant's creditworthiness and security being offered. **(Include Interest Rate Matrix as Appendix – review with Finance).**

Grants may be considered in exceptional circumstances ie where applicant has no ability to accept and repay loan funding or where an activity has a State Aids exemption applied, for example innovation activity.

Please note: The Business Growth Programme carries an administration fee applicable to any successful investment award, to cover legal and technical costs of the Combined Authority. This will be proportionate to the amount of funding sought and usually be no more than £1,500. For further details please see Part Three – How to Apply.

INSERT CASE STUDY – LANCASTER WAY?

Eastern Agritech Growth Initiative

The Eastern Agritech Growth Initiative supports the development of new and innovative ideas within this important sector. The programme covers all of the LEP geography as described above PLUS all of Norfolk and Suffolk.



There are two main funds that businesses can apply for -

- an Agritech Growth Fund, which provides grants between £10,000 and £150,000 to support product development and improve agricultural productivity; and
- a Research, Development and Prototyping Fund, which helps to support the research and development of new product or processes with grants of between £10,000 and £60,000.

For further details please see Part Three – How to Apply.

(INSERT AGRITECH CASE STUDY)

Skills Capital Fund

To support the delivery of its Skills Strategy, the Combined Authority has set aside £2 million and is keen to invest in improved skills infrastructure or specialist equipment which will help to meet the needs of the area's businesses.

More detail re relationship with Skills Strategy

It is expected that the fund will support three or four projects within the LEP area. The Authority will consider applications for capital investment via loan or grant, to a maximum of 50% of total project cost.

For further details please see Part Three – How to Apply.

(INSERT CASE STUDY – CITB or WATA)



Call for Major Projects

Call Open from Monday 15th October to Friday 30th November 2018

To date, our Growth Deal programme has been mainly focused on transport and infrastructure schemes, investing in city centre roads and cycleways in Peterborough, a new southern bypass at Ely and a railway crossing on the A605 at Whittlesea.

With our remaining funding, we would like to invest in projects that have an emphasis on creating new job opportunities through delivery of new employment infrastructure. As well as providing investment into business growth via the range of funding programmes outlined above, the Combined Authority is inviting applications for loan or grant funding, or other proposed models of investment, into major capital projects seeking £3 million and over.

With the £50 million Growth Deal funds available, we expect to deliver at least 10,000 new jobs, which equates to an average investment of £5,000 per job. For example, if a project were to receive £5 million of Growth Deal investment, we would expect at least 1,000 jobs to be directly created as a result.

Project Proposals should align with the Combined Authority's 2030 Vision and the recommendations of the Independent Economic Review¹ (CPIER) and with the Authority's priorities and programmes. **(INCLUDE REFERENCES WHEN FINAL CPIER AVAILABLE)**

For example, the review's Interim Report has suggested that the Cambridge economy is has special features and sectors which are of national (and international) significance so project proposals might include provision of new employment infrastructure (business parks, premises) which respond to this in a particular way.

The Combined Authority is looking at the potential of developing new 'Productivity Zones' across its geography. Proposals are welcome which take this idea further. Similarly, the Authority has announced a series of Market Town masterplans which respond to a need to improve employment opportunities for people where they already live.

¹ <http://www.cpier.org.uk/interim-report/>

PART THREE - How to Apply

Key Contacts and Further Information

All programmes except the Call for Major Projects will open for new applications from 8th October 2018.

Potential applicants to programmes within this Prospectus should email GrowthFunds@cambridgeshirepeterborough-ca.gov.uk or call 01480 277180 in the first instance.

Your enquiry will be forwarded to the appropriate team to guide you through the application process.

If you are interested in applying directly to the Eastern Agritech Growth Initiative, please contact the Agritech Sector Specialist Programme Manager, Martin Lutman email martin.lutman@cambridgeshirepeterborough-ca.gov.uk or call 01480 277180.

Call for Major Projects

Call Open from Monday 8th October to Friday 30th November 2018

Organisations interested in applying via this call should email GrowthFunds@cambridgeshirepeterborough-ca.gov.uk or call 01480 277180 in the first instance.

Following the launch of the Prospectus on 8th October, prospective applicants will be asked to complete an Expression of Interest (EoI) in the first instance. Applications to this call for major projects will be to the public or private sector, or other delivery organisations for example joint ventures - provided they are of a legal entity able to enter into a funding agreement with the Combined Authority. The Authority will carry out due diligence in respect of all applications for Growth Funds.

Following Expression of Interest, the Authority will then confirm the organisation's eligibility, and request a full proposal in the form of a Business Case. Applicants proceeding to Business Case will be supported through the process to approval and contract.

The call for major projects will open on Monday 8th October and close on Friday 30th November at 17:00.

Major Projects - Guidance for Applicants

- The Government has agreed Growth Deal funds to be used for businesses and projects in the following local authority areas;
 - Cambridgeshire
 - Cambridge City
 - South Cambridgeshire
 - Huntingdonshire
 - Fenland
 - East Cambridgeshire
 - Peterborough City
 - Rutland
 - Suffolk – St Edmundsbury and Forest Heath, together referred to as West Suffolk
 - Hertfordshire – North Herts only
 - Essex – Uttlesford only
 - Lincolnshire – South Kesteven and South Holland
 - Norfolk – Kings Lynn and West Norfolk.
- This prospectus is seeking applications for **capital** investment only. There is no revenue funding available through this prospectus.
- The maximum investment to be provided as a proportion of total project cost (tpc) will vary from project to project to be determined. For the purpose of developing a Business Case, this is likely to be no more than 50%.
- The Combined Authority does not have standard interest rates for loan investment. Loan terms are calculated on a scheme by scheme basis subject to applicant's creditworthiness and security being offered. **(Include Interest Rate Matrix as Appendix – under review with Finance).**
- Start Date - the funding period for projects will run from the date of approval by the Cambridgeshire and Peterborough Combined Authority (CPCA) or as specified within the funding agreement. Projects can start before this date, but any committed expenditure is at risk and makes no obligation to CPCA prior to funding approval.
- End Date – Growth Deal funding must be spent at the latest by 31 March 2021, or earlier as specified within the funding agreement. Practical completion for projects can be a later date.
- Applicants should seek their own advice on State Aids implications of the proposed project, and evidence of this will be sought as a condition of funding. Growth Deal funding cannot be used towards State Aids or other legal costs incurred by the project delivery body as part of the application process. CPCA will not reimburse legal or other costs incurred during applications, whether the application successful or unsuccessful in seeking funding.

EXAMPLE APPLICATION FORMS

SMALL BUSINESS FUND

BUSINESS GROWTH FUND

AGRITECH PROGRAMME

SKILLS CAPITAL FUND

**EOI AND BUSINESS CASE TEMPLATE FOR MAJOR PROJECTS –
INCLUDING REFERENCES TO GREEN BOOK GUIDANCE**

**FINAL FORMS TO BE REQUESTED FROM GROWTH HUB/CPCA TO ENABLE
INITIAL DISCUSSION WITH RELEVANT TEAM**

DRAFT

Ref:

EXAMPLE FORM FOR BOARD PURPOSES

Small Grant Programme 2018 - Application Form

The Small Grants Programme 2018 provides a flexible capital subsidy to help Registered Limited Companies. Grants towards Capital expenditure are available up to a maximum of 20% of eligible costs, capped at £20,000. The minimum project cost is £10,000 (minimum grant £2,000).

Please ensure that you discuss this application with your Business Adviser, and complete ALL sections of this form before you submit it.

1. Company name			
2. Company address			
3. Contact name			
4. Contact position			
5. Phone number		6. Mobile number	
7. Email address			
8. Company number		9. VAT number	

10.	What is your expected turnover for the current or next full financial year in £ thousands	£
	In the previous two years, has your turnover been more than €50m (£40 million)?	YES NO
11.	What is your expected balance sheet value for the current or next full financial year?	£
	In the previous two years, has your balance sheet value been more than €43m (£35 million)?	YES NO
12.	How many fulltime equivalent employees do you have excluding apprentices?	YES NO
	In the previous two years, have you had more than 250 fulltime equivalent employees? *	YES NO

* Please **include**: full-time, part-time, temporary and seasonal staff.

13. Please explain how the grant will improve your profitability.

14. If you will create any new jobs as result of our support, please provide us with details:			Estimated date of post's creation
Job title or description of new post	Hours/week	Approx. annual salary	
		£	
		£	
		£	

15. Please provide a breakdown of the total expenditure required to implement the proposal, excluding VAT			
Ref	Brief description of eligible capital expenditure	Cost ex. VAT	Estimated investment date
1.		£	
2.		£	
3.		£	
Total eligible capital expenditure to be incurred		£	
State the value of Grant that you're applying for *		£	

* The value of the grant must be no more than 20% of the total ex VAT costs

16. What sources of funding – apart from our grant – will you use to fund your investment? In the *status of funding* column, please state whether it's been *agreed*, *agreed-in-principle* or *applied for*. In the Source of funding column, examples are *Company reserves*, *cash or equivalent*, *business*, *bank* or *director's loan*. Please attach details to this form before you submit it.

Source of funding	Value	Status of funding
Company reserves	£	
Loans	£	

We cannot fund purchases made with HP or lease purchase agreements

State Aid is publicly-funded help and support and it includes the grant support that we provide to you. Under our State Aid scheme, businesses can receive an absolute maximum of around £165,000 of State Aid in any three year period. For further information, please contact your Business Adviser.

Our own funding requires us to provide you with the following information. Under the EC regulation 1407/2013 (*de minimis* aid regulation) there is a ceiling of €200,000 (approximately £165,000) for all *de minimis* aid provided over a period of three fiscal years (including the fiscal year in which the grant of *de minimis* aid is to be given). Any *de minimis* aid (including our support and advice) awarded to you will be relevant if you wish to apply, or have applied, for any other grant aid. It is your responsibility to report on this and any other aid received from a public source. Failure to advise of a grant or exemption from a cost otherwise due (i.e. rate relief from public authority) could lead to the claw back of the funds plus interest.

17. Has your business received any grants or State Aid (e.g. reliefs, state-funded support or grants) in the past 3 years?			YES NO
If you answered YES , above, please complete this table (continue on a separate sheet if required):			
Date of payment	Name of the State Aid provider	Value of State Aid	Reason for payment
/ /		£	
/ /		£	
/ /		£	
Are you currently seeking any other State Aid – for example, grants? If YES , please complete the following:			
Status of the State Aid	Name of the State Aid provider	Amount sought	What you're seeking support for
APPLIED AWARDED		£	
APPLIED AWARDED		£	

18. Are you knowingly related to any employee of The Cambridgeshire and Peterborough Combined Authority?	YES NO
19. I've attached accounts for the most recent complete financial year or a robust business plan	YES NO
20. I've attached a forecast, on the basis that the proposal outlined is implemented in full	YES NO

Please note that due diligence is carried out on all Grant Applications – please check your answers.

Complete and sign the declaration below, and return this form to :

The Small Grants Programme 2018

The Growth Hub

Cambridgeshire and Peterborough Combined Authority

Incubator 2

1st Floor

Alconbury Weald Enterprise Campus

Huntingdon

PE28 4WX

General Data Protection Regulation (GDPR) Regulation (EU) 2016/679

We take the protection of your personal information very seriously. As you may be aware, from 25th May 2018, the GDPR replaces the Data Protection Directive 95/46/EC and is intended to harmonise Data Privacy Laws across Europe and to protect all EU citizens and their personal data. For almost all purposes, we will continue to use your data and keep in touch with you on the basis of what the regulations call 'legitimate interest', given your existing relationship with the CPCA. The use of the Business's information may include matching to other data sources to understand more about organisations like yours and general patterns and trends, although the business's data will not be published or referred to in a way which identifies any individual or business. If your business has any questions in relation to how the information you provide, and in particular any personal data, will be processed and disclosed please contact us. We will, however, respect any preferences you have expressed, you can remove your data by informing us at any time.

The important points to emphasise are that your information is held securely; and that you can always restrict the processing of your data in any way that you may reasonably wish to.

The use of the Business's information may include matching to other data sources to understand more about organisations like yours and general patterns and trends, although the business's data will not be published or referred to in a way which identifies any individual or business. If the business has any questions in relation to how the information the business provides, and in particular any personal data, will be processed and disclosed please contact Darren.Edey@cambridgeshirepeterborough-ca.gov.uk

I confirm agreement to the above statement – YES NO

21. I confirm that the investments outlined in this form have not already been commissioned or otherwise ordered, invoiced for or secured with a deposit.

Signed		Print name	
Position		Date	/ /



BUSINESS BOARD	AGENDA ITEM No: 3.1
24 SEPTEMBER 2018	PUBLIC REPORT

GROWTH PROGRAMME UPDATE

1.0 PURPOSE

- 1.1. The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive Growth Deals with Government between 2014 and 2017, securing £146.7m to deliver new homes, jobs and skills across the LEP area. This paper provides an update on the programme's performance since April 2015 and the current in-year position.
- 1.2. Progress to end August 2018 shows;
- £2.23 million in Growth Deal payments made to projects in delivery
 - All contracted projects forecast to claim their budgeted spend in 18/19.
- 1.3. In addition to the Growth Deal, GCGP secured £16.1m from the Growing Places Fund to establish a recyclable pot of grants and loans for projects delivering economic benefit across the region.
- 1.4. The Business Board is recommended to note progress on the programme within 2018/19 and accumulatively to date.

<u>DECISION REQUIRED</u>	
Lead Member:	Chair of Business Board
Lead Officer:	Harriet Fear, John Hill, Director, Business and Skills
Forward Plan Ref: N/A	Key Decision: No
The Business Board is recommended to: (a) agree the programme position to 31 August 2018.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1. The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive deals with Government (known as Growth Deals) between 2014 and 2017, securing £146.7m from the Local Growth Fund (LGF) to deliver new homes, jobs and skills across the LEP area. The Growth Deal funds must be spent from 2015/16 to 2020/2021 but programme outcomes can be delivered beyond 2021.
- 2.2. In addition to Growth Deal, GCGP secured £16.1m from the Growing Places Fund to establish a recyclable pot of grants and loans for projects delivering economic benefit across the region.
- 2.3. A report on progress was provided to the Business Board and the Combined Authority Board in July 2018 which included;
 - Growth Deal monitoring report to Government for the period ending 31 March 2018, including spend and output forecasts to end of programme
 - programme position to end 30 June 18/19
 - recommendation to undertake an external Interim Programme Evaluation for the Growth funds in 2018
 - a forward schedule of payments expected to be paid to contracted projects in delivery for 2018/19 and 2019/20.

3.0 GROWTH DEAL PROGRAMME POSITION

- 3.1. At 31 August 2018, CPCA's Growth Deal programme has eight projects in delivery in 2018/19 (as shown in Table 1) the forecast spend total for the current financial year is £16.83m.
- 3.2. £2.23 million has been paid out to Growth Deal projects in the financial year 2018/19 to date. Claims worth a further £5 million have been received from projects and are in processing. A verbal update will be provided on this at Board.
- 3.3. Cash position at bank – Government has paid the LEP/CA £63.38m across three financial years 2015/16 to 2017/18. Together with £16m paid directly to Cambridgeshire County Council from Department of Transport, and a £996k contribution to the Agritech Initiative from New Anglia LEP, the total funding received to date is £80.38m. Less commitments of £76.306m cash headroom remains at just over £4m.
- 3.4. Lancaster Way Phase 1 loan has repaid in full £1m to the programme, this has not been included in the £4m identified above as loan repayments are not covered by the Growth Deal reporting requirements and thus could be utilised within other funds ie moved to the recyclable pot.

Table 1) Growth Deal Programme Position to 31 August 2018

GROWTH DEAL 2018/19			In year monitoring				Project Lifetime monitoring			
	Total Growth Deal Allocation	Prior years' expenditure	Budgeted Spend 18/19 (as at 1 April)	Actuals paid 1st Mar - 31 Aug 2018	Current forecast outturn 18/19	Forecast outturn variance	Forecast post 18/19	Total project forecast outturn	Overall Status	DoT
Projects In Delivery										
Kings Dyke Whittlesey	8,000,000	1,114,171	6,885,829	0	6,885,829	0	0	8,000,000	RED	→
Ely Southern Bypass*	22,000,000	18,194,370	3,805,630	0	3,805,630	0	0	22,000,000	AMBER	→
Bourges Boulevard Phase 2	9,200,000	7,848,348	1,351,653	1,022,037	1,351,653	0	0	9,200,001	GREEN	→
iMET Technical & Vocational Centre**	10,473,654	8,833,067	1,640,497	777,715	1,640,497	0	0	10,473,564	GREEN	→
Agritech Initiative***	4,096,000	2,113,808	1,982,192	204,221	1,982,192	0	0	4,096,000	GREEN	→
Lancaster Way Ph2 Grant	1,445,000	581,516	863,484	0	863,484	0	0	1,445,000	AMBER	→
Manea and Whittlesea Stations Feasibility Programme Management	395,000	49,291	345,709	226,669	301,592	-44,117	0	350,883	GREEN	→
Sub-total projects in delivery	56,954,969	40,079,886	16,874,994	2,230,642	16,830,877	-44,117	0	56,910,763		
*includes 16m paid directly to CCC and reported as Growth Deal										
**Growth Deal allocation for iMET reduced by £26,346 as was paid as revenue from Growing Places Fund										
***includes 996k match-funding from New Anglia LEP, not included in reported Growth Deal spend total to BEIS										
Provisional Projects - subject to business case							Forecast post 18/19			
Soham Station	1,000,000	0	0	0	0	0	0	0		
Wisbech Access Strategy - Delivery	10,500,000	0	0	0	0	0	0	0		
A428 Public Transport Improvements	9,000,000	0	0	0	0	0	0	0		
Haverhill Innovation Centre	1,300,000	0	0	0	0	0	0	0		
M11 Junction 8	1,000,000	0	0	0	0	0	0	0		
Sub total provisional projects	22,800,000	0	0	0	0	0	0	0		
Completed Projects										
Bourges Boulevard Ph 1	2,100,000	2,100,000	0	0	0	0		2,100,000		
A47/A15 Junction 20	6,300,000	6,300,000	0	0	0	0		6,300,000		
Wisbech Access Strategy - Feasibility	1,000,000	1,000,000	0	0	0	0		1,000,000		
New Testing Facility TWI	2,100,000	2,100,000	0	0	0	0		2,100,000		
Cambridge Biomedical Innovation Centre	1,000,000	1,000,000	0	0	0	0		1,000,000		
PRC Excellence in Food Manufacturing	586,000	586,000	0	0	0	0		586,000		
WATA Highways Academy	415,000	415,000	0	0	0	0		415,000		
CITB Advanced Construction Training	450,000	450,000	0	0	0	0		450,000		
WATA EZ Plant Centre Alconbury	65,000	65,000	0	0	0	0		65,000		
Signpost to Grant***	200,000	200,000	0	0	0	0		200,000		
Medtech Accelerator Share Purchase	500,000	500,000	0	0	0	0		500,000		
Lancaster Way Ph1 Loan	1,000,000	1,000,000	0	0	0	0		1,000,000		
Lancaster Way Ph 2 Loan	3,680,000	3,680,000	0	0	0	0		3,680,000		
Sub-total completed projects	19,396,000	19,396,000	0	0	0	0		19,396,000		
***paid to LEP from GD not all paid out to projects circa 67k remaining										
SUMMARY										
			In year monitoring			Lifetime Monitoring				
	Total Growth Deal Allocation	Prior years' expenditure	Budgeted Spend 18/19 (as at 1 April)	Actual claim to date Q1 18/19	Current forecast outturn 18/19	Forecast outturn variance	Forecast post 18/19	Total project forecast outturn		
Projects In Delivery - Summary										
Total in delivery and completed	76,350,969	59,475,886	16,874,994	2,230,642	16,830,877	-44,117	0	76,306,763		
Sub total provisional projects	22,800,000	0	0	0	0	0	0	0		
Totals all projects	99,150,969	59,475,886	16,874,994	2,230,642	16,830,877	-44,117	0	76,306,763		
Less NALEP match 18/19	-996,000	0	-996,000	0	-996,000	0	0	-996,000		
Total Growth Deal commitments	98,154,969	59,475,886	15,878,994	2,230,642	15,834,877	-44,117	0	75,310,763		

3.5. There are five projects with provisional allocations totalling £22.8m and CA officers are working with project delivery bodies to bring forward business cases for consideration by the Business Board.

3.6. Kings Dyke Crossing has a red risk rating as the full funding package is not yet in place. Full scheme costs will be better understood and presented to the County Council in Autumn 2018 once the design stage is complete. The Growth Deal contribution is limited to £8m and £1.114m has been paid out to date. The Combined Authority has been approached to support the construction phase through additional funding.

3.7. Ely Southern Bypass has a rating of amber as there remains a minor risk that there will be increased costs beyond current forecast total cost, and the possibility of delays to scheme opening if some of the major project milestones do not go to plan. There is no risk to CPCA budgets as all Growth Deal funding has been paid to the scheme, but the project is the largest in the programme to date and so has high reputational and output realisation risks. A project update

is expected from the County Council in mid-September and will be verbally reported to Board.

- 3.8. Lancaster Way Phase 2 (Grant) remains as amber as the developers are awaiting the outcome of a County Council highways feasibility study on the A10. The funding has been awarded to support infrastructure improvements on the A10 which are required to continue to develop the Lancaster Way Business Park at Ely. The Combined Authority and developers Grovemere Properties are working with the County Council to find a resolution so that the business park can continue to expand.

4.0 GROWING PLACES FUND PROGRAMME POSITION AT 31 AUGUST 2018

- 4.1. The Growing Places Fund was established in 2014 to help Local Enterprise Partnerships deliver jobs and growth, and to set up recycled pots to enable reinvestment. GCGP LEP was awarded £16.1m, the majority of which was capital.
- 4.2. Over £7m remains within the Growing Places Fund that can be allocated to future projects, subject to forecast claims from contracted schemes and successful repayment of loans. It is proposed that opportunities under this programme are included within the Business Growth Prospectus to be launched in October 2018.
- 4.3. The Growing Places Fund currently has six projects in delivery worth £4.88 million and contracted forecast payments of £157,830 extending into 2019/20, as shown in Table 2) below. The largest of these a £3.3 million contribution to the Ely Area Capacity Enhancements project which is funding feasibility work to GRIP 3 stage for improvements to capacity in and around Ely North Junction.
- 4.4. £143,408 has been paid to GPF projects so far in 2018/19, with a further £250k in processing. Although the individual claim amounts are small, claims take a while to evidence and process as each project and funding agreement is structured very differently.
- 4.5. Ely Area Capacity Enhancements is shown as amber while the Combined Authority and Network Rail agree how to evidence staff costs, although the project itself is progressing towards submitting a business case to the Department for Transport for delivery.
- 4.6. The Skills Service project is shown as amber while claims requiring additional evidence are processed.
- 4.7. The University of Peterborough TDAP project (Taught Degree Awarding Powers) has been changed to amber this month while the project's performance and governance is reviewed.

Table 2) Growing Places Fund Programme Position to 31 August 2018/19

GROWING PLACES FUND 2018/19	Grant or Loan	Total GPF Allocation		In year monitoring				Project Lifetime monitoring			
				Budgeted Spend 18/19 (as at 1 April)	Actual claim to 31 Aug 2018	Current forecast outturn 18/19	Forecast outturn variance			Spend forecast post 18/19	Total project forecast outturn
Projects in Delivery		Prior years' expenditure						Overall Status	DoT		
COSMOS Cambridge Science Centre	Grant	275,000	247,857	27,143	27,143	27,143	0	0	275,000	GREEN	→
Ely Area Capacity Enhancements	Grant	3,300,000	162,462	3,137,538	0	3,137,538	0	0	3,300,000	AMBER	↓
In Collision	Grant	325,000	186,000	124,000	62,000	124,000	0	15,000	325,000	GREEN	→
University of Peterborough Project Team	Grant	120,000	106,645	13,355	8,338	8,338	-4,957	0	115,043	GREEN	→
University of Peterborough TDAP	Grant	600,000	154,066	303,104	45,867	303,104	0	142,830	600,000	AMBER	↓
Opportunity Peterborough Skills Service 17/18	Grant	265,000	110,000	155,000	0	155,000	0	0	265,000	AMBER	→
Sub-total in delivery		4,885,000	967,030	3,760,140	143,408	3,755,183	-4,957	157,830	4,880,043		
Completed Projects - Capital										Total Repaid to	
Fletton Parkway Peterborough	Grant and Loan	4,500,000	4,500,000	0	0	0	0	0	4,500,000	3,000,000	
Haverhill Research Park	Loan	2,000,000	2,000,000	0	0	0	0	0	2,000,000	2,000,000	
Ely Crossing	Loan	654,000	654,000	0	0	0	0	0	654,000	654,000	
Future Business Centre	Loan	1,000,000	1,000,000	0	0	0	0	0	1,000,000	1,000,000	
Fenland Horticultural Skills Centre	Grant and Loan	200,000	200,000	0	0	0	0	0	200,000	50,000	
Babraham Park and Ride	Loan	1,300,000	1,300,000	0	0	0	0	0	1,300,000	1,300,000	
Ashwell Business Park	Loan	630,000	630,000	0	0	0	0	0	630,000	0	
Huntingdon West Link Road	Loan	3,050,000	3,050,000	0	0	0	0	0	3,050,000	3,050,000	
Peterborough Southbank Skills Centre	Loan	784,448	784,448	0	0	0	0	0	784,448	784,448	
Babraham to Abingdon Cycleway	Loan	45,891	45,891	0	0	0	0	0	45,891	45,891	
Sub-total completed projects - capital		14,164,339	14,164,339						14,164,339	11,884,339	
Completed Projects - Revenue											
Skills Service Phase 2	Grant	265,000	265,000	0	0	0	0	0	265,000		
Signpost 2 Skills	Grant	75,000	75,000	0	0	0	0	0	75,000		
Form the Future Skills Service	Grant	50,000	50,000	0	0	0	0	0	50,000		
LEP Prize Challenge Fund Phase 1	Grant	396,375	396,375	0	0	0	0	0	396,375		
LEP Prize Challenge Fund Phase 2	Grant	450,000	410,452	0	0	0	0	0	410,452		
The Skills Service	Grant	285,711	285,711	0	0	0	0	0	285,711		
Skills Survey	Grant	33,243	33,243	0	0	0	0	0	33,243		
iMET Revenue	Grant	26,436	26,436	0	0	0	0	0	26,436		
Signpost 2 Skills Brokerage	Grant	135,000	135,000	0	0	0	0	0	135,000		
Flag Fen Feasibility	Grant	12,000	12,000	0	0	0	0	0	12,000		
Sub-total completed projects - revenue		1,728,765	1,689,217						1,689,217		
GPF Summary		Total GPF Allocation	Prior years' expenditure	Budgeted Spend	Actual claim to	Current forecast	Forecast outturn	Spend forecast	Total project		
In delivery		4,885,000	967,030	3,760,140	58,522	3,755,183	-4,957	157,830	4,880,043		
Completed - capital		14,164,339	14,164,339	0	0	0	0	0	14,164,339		
Completed - revenue		1,728,765	1,689,217	0	0	0	0	0	1,689,217		
Totals all projects		20,778,104	15,131,369	3,760,140	58,522	3,755,183	-4,957	157,830	19,044,382		

5.0 Financial Implications

5.1. Sufficient cash funding for the contracted capital projects within the Growth Programme was received by the CA as part of the transfer of Accountable Body responsibilities on 1 April 2018. This funding is ringfenced for these projects therefore there is no call on other CA funding.

6.0 Legal Implications

6.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants

to providers in order to deliver the terms of the devolution deal signed with Government

6.2. The Business Board is responsible for programme direction of the Growth Funds. The Combined Authority, as the Accountable Body, maintains the legal agreements with project delivery bodies.

6.3. The Legal Team shall be responsible for placing any required contractual arrangements, usually through its current partnering arrangements with the Local Authorities

7.0 Significant Implications

7.1. The Growth Deal is a substantial funding agreement between the local area and Government, with scope for significant impacts on the growth of the local economy. Successful delivery has positive benefits to residents, businesses and workers within the Business Board area.

8.0 Appendices

8.1. None

<u>Source Documents</u>	<u>Location</u>
Local Enterprise Partnerships National Assurance Framework (November 2016)	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/567528/161109_LEP_Assurance_Framework.pdf
Draft Cambridgeshire and Peterborough Devolution Monitoring and Evaluation Framework (February 2017)	http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Monitoring-and-Evaluation-Framework.pdf