

Business Board: Minutes

Date: 9th June 2021

Time: 10:10a.m. – 10.30a.m.

Present: Austen Adams (Chair), Andy Neely (Vice-Chair), Tina Barsby, Mark Dorsett, Councillor Wayne Fitzgerald, Mike Herd, Mayor Dr Nik Johnson, Aamir Khalid, Al Kingsley, Jason Mellad, and Andy Williams

16. Apologies for Absence

The Chair noted that the extraordinary meeting had been convened to be able to consider match funding towards the University of Peterborough (Phase 3) Levelling-Up Fund application before the bid submission deadline of 18th June 2021.

He welcomed Councillor Fitzgerald following his appointment by the Combined Authority Board on 2nd June to be the Lead Member for Economic Growth.

Apologies for absence were received from Faye Holland, Nitin Patel and Rebecca Stephens.

The presence of the Business Board's Section 73 Officer was noted.

17. Declarations of Interest

Councillor Fitzgerald declared a non-statutory disclosable interest in relation to the University of Peterborough Phase 3 Funding, as Peterborough City Council was a partner in the University of Peterborough project.

Andy Neely declared a non-statutory disclosable interest in relation to the University of Peterborough Phase 3 Funding, as the Pro-Vice-Chancellor: Enterprise and Business Relations of the University of Cambridge.

18. University of Peterborough Phase 3 Funding

The Business Board received a report which outlined an application for the University of Peterborough Phase 3 project, which had been selected by the Peterborough City Council panel on 28th May as the preferred project application to be submitted as a bid to the Levelling Up Fund. The project would establish the second teaching building for Anglia Ruskin University Peterborough and would also contain an interactive science museum. It was proposed to invite the Mayor to approve £2m funding from Combined

Authority resources, which would be returned to the Combined Authority from the next £2m of unallocated, growth funds recovered by the Business Board.

It was noted that although the Business Board would not have Recycled Loan Repayment Funds available for four years between 2023 and 2027, it would be expected that a £1m per year income would be received from the Enterprise Zone, and an additional estimated £2.5m would be gained by the planned liquidation of the iMET building. The Director of Business and Skills explained that by adding the second building, the University of Peterborough would become commercially viable, allowing the Business Board to reclaim and recycle the initial £20m which had invested in the first building as a rent subsidy. Members were also advised that John T Hill was both the project applicant and a director of the company for which the investment was being proposed.

While discussing the report, the Business Board:

- Expressed concerns regarding the limited flexibility of the Business Board over the four years period when the Recycled Loan Repayment Funds would not be available. The Director of Business and Skills advised the Board that £5m worth of loan repayments would be received over the next 10 years, which would provide some flexibility, while confirming that all substantial checks were carried out before the loans were granted and therefore the repayments would be relatively secure.
- Established that in the event of the loan payments not being repaid, the risk would lie with the Combined Authority. This would result in the Recycled Growth Funds not paying off the Capital Gain Share Funds and further steps would be set by the Business Board and the Combined Authority together.
- Highlighted the inconsistency in the way this proposal was received, and sought confirmation that this was an exception rather than a precedent. The Director of Business and Skills confirmed that it was an exception and explained that the LUF fund was only available in the region of Fenland and Peterborough, therefore this proposal had been accepted for consideration, despite only being a local call in Peterborough and not part of an open call across the Combined Authority.
- Noted the emerging pattern by the Government where a very descriptive bid was launched with a short timeline for projects to go forward, and argued that the accommodation of these calls for projects would be beneficial within the Local Assurance Framework. The Chair of the Business Board reiterated that on this occasion an exception had been made, and suggested a review of the Local Assurance Framework so that it could accommodate these sort of cycle opportunities without compromising the robust process currently implemented.
Action required.
- Suggested that the Phase 3 Project would mitigate the risks involved with Phase 1 and 2 and would provide a break even point for the first phase of the project, increasing the likelihood of the receipt of the Levelling Up Fund Bid, and increasing the viability of the long term project.

It was resolved unanimously to:

- (a) Approve variation of Local Growth Fund decision making processes set out in the Local Assurance Framework, to enable approval of the proposed project;
- (b) Recommend that the Mayor, in consultation with the Combined Authority Board, approve the next £2m of unallocated recycled local growth funds to the University of Peterborough Phase 3 project, subject to that project securing full funding from partners Peterborough City Council via a successful Levelling Up Bid and investment from Anglia Ruskin University and also subject to all conditional requirements identified in the external appraiser's report being met; and
- (c) Invite the Mayor, in consultation with the Combined Authority Board, to approve the allocation of £2m of Combined Authority single pot capital funds, for immediate use on the University of Peterborough Phase 3 project. This is required as the recycled LGF referred to in b) above is not immediately available. This £2million will then be used to repay the single pot capital funds when recycled LGF is received. This decision is subject to the project securing full funding from partners Peterborough City Council via a successful Levelling Up Bid and investment from Anglia Ruskin University and subject to all the conditional requirements identified in the external appraiser's report being met.