

Business Board: Minutes

Date: 19th May 2021

Time: 9:00am – 11:30am

Present: Austen Adams (Chair), Andy Neely (Vice-Chair), Tina Barsby, Mark Dorsett, Mayor Dr Nik Johnson, Aamir Khalid, Al Kingsley, Jason Mellad, Nitin Patel and Kelly Swingler

1. Apologies for Absence and Declarations of Interest

The Chair welcomed Mayor Dr Nik Johnson to the Business Board following his recent election as Mayor of Cambridgeshire and Peterborough. Invited to address the Business Board, Mayor Dr Nik Johnson emphasised compassion, cooperation and community as being the core thematic focuses of his work. Noting that he had worked in the NHS for over thirty years, he expressed enthusiasm about being able to provide an alternative perspective to the work of the Business Board.

It was noted that following Councillor John Holdich's retirement, a new Lead Member for Economic Growth would be appointed at the Combined Authority Board meeting on 2nd June 2021.

Apologies for absence were received from Faye Holland, Nicki Mawby and Rebecca Stephens. Apologies for lateness were received from Kelly Swingler.

Andy Neely declared a non-statutory disclosable interest in relation to 'Growth Works Management Review – May 2021' (agenda item 2.5), due to his involvement with inward investment in Cambridge. It was confirmed that he would not be required to leave the meeting for the duration of the item.

Austen Adams declared a non-statutory disclosable interest in relation to 'Business Board Nomination to the Greater Cambridge Partnership Executive Board' (agenda item 2.6), as a nominated representative in the report. He confirmed that he would leave the meeting for the duration of the item.

Dr Andy Williams declared a non-statutory disclosable interest in relation to 'Business Board Nomination to the Greater Cambridge Partnership Executive Board' (agenda item 2.6), as a nominated representative in the report. He confirmed that he would leave the meeting for the duration of the item.

Austen Adams declared a non-statutory disclosable interest in relation to 'Nomination of Business Board Representative for the Combined Authority Board' (agenda item 2.11), as a nominated representative in the report. It was confirmed that he would not be required to leave the meeting for the duration of the item.

Andy Neely declared a non-statutory disclosable interest in relation to 'Nomination of Business Board Representative for the Combined Authority Board' (agenda item 2.11), as a nominated representative in the report. It was confirmed that he would not be required to leave the meeting for the duration of the item.

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

2. Minutes of the Meeting Held on 16th March 2021

The minutes of the extraordinary meeting held on 4th March 2021 were approved as a correct record.

The minutes of the meeting held on 16th March 2021 were also approved as a correct record.

While discussing Minute 217 (Business and Market Engagement Update) of the Minutes Action Log, it was noted that Nitin Patel had volunteered to represent the Business Board on the Business and Innovation workstream of the Climate Change Commission.

3. Future Funding Strategy

The Chairman noted that an amended version of the Future Funding Strategy report had been published on 10th May 2021, as following the original publication of the report, the process for selecting the final list of projects to submit to the Ministry of Housing Communities and Local Government as bids from the Combined Authority area for Community Renewal Funding had been changed in order to accommodate all the Leaders of the Combined Authority being consulted on the final decision. The report laid out the proposed processes for selection of bids to the Levelling-Up Fund (LUF), which would be administered by local authorities and the Communities Renewal Fund (CRF), which would be administered by the Combined Authority.

It was noted that while Local Growth Fund (LGF) bids had previously been assessed internally, the competitive nature of the LUF would require a more tactical selection and submission of bids. Following a call for proposals, 6 bids for the LUF had been submitted and were being scored by Peterborough City Council and Fenland Council before being submitted to the Business Board for consideration, after which they would be presented to decision-making panels in each district. CRF bids followed a similar process to the LGF bids, with the Combined Authority acting as the lead authority. Following a call for proposals, 24 bids were being evaluated and scored, after which they would be presented to the Combined Authority Board for approval

While discussing the report, the Business Board:

- Noted that bids from Peterborough and Fenland would be given priority and suggested that bids for other areas in the region could be connected to those two districts to improve their chances of selection. The Director of Business and Skills

confirmed that such considerations were being made with bids in order to maximise the potential level of funding that could be obtained across the whole area.

- Considered the synergy between public health and economic growth, noting the disparities across the area, and questioned whether public health could be incorporated to the growth agenda in a cross-cutting way, with Business Board involvement in the development of Addenbrookes suggested as an example. It was observed that health outcomes were difficult to measure in the short-term, making it hard to provide evidence of impacts, although members argued there was already a disproportionate focus on cure over prevention and that the Business Board could highlight and support preventative measures. Noting that the Cambridgeshire and Peterborough area would be key for piloting schemes that developed technology and innovation in the care sector and NHS, it was agreed to consider how public health could be further integrated into the Business Board's agenda. **Action required**

It was resolved unanimously to:

(a) Recommend the Mayor approve:

- (i) The process for selecting the candidate bids to be submitted to Government for the CRF, based on the Combined Authority's mandate to do so as Lead Authority for bids to the Community Renewal Fund;
- (ii) The process for selecting the candidate regeneration bids to be submitted to the Government for the LUF, on the basis of the voluntary arrangement agreed between the Combined Authority, Peterborough City Council and Fenland District Council; and

(b) Note the intent of the Combined Authority to pursue Lead Authority status for the LUF regeneration bids and its existing status as Lead Authority for transport bids.

4. Manufacturing & Materials Research & Development Centre Project Change Request and Revised Business Plan

The Business Board received a report seeking approval for a change to the business model of the Manufacturing & Materials Research & Development Centre project in Peterborough, along with a number of amendments to the project's Business Plan in order to allow such a change to occur. The Chair noted that a revised version of the Business Plan, Appendix 1 to the report, had been published on 5th May 2021 at the request of a partner local authority. In order to allow the Peterborough R&D Property Company Limited to reclaim VAT on construction costs for a total of close to £3m, it was proposed that the joint venture company itself directly manage the centre rather than through the procurement of a separate commercial operator. Photocentric had agreed to fund any additional cashflow requirements and cover any losses resulting from the operation of the centre, in exchange for a reconfiguration of its initial investment in the project from £3m to £2.2m.

The Director of Business and Skills read out the following statement that had been submitted to the Business Board by Peterborough City Council:

The figures indicated for the cost of lease of the car park, are to provide a baseline position for the purpose of validating the viability of the wider commercial model and business plan. These are based on the best estimate taken from the market, when considering the financial, contractual, and commercial factors effecting the potential price of lease, conditions of lease and potential income from that lease. However, the shareholders of PropCo1 and PropCo2, as the potential purchasers of this lease, accept these figures are estimates based on assumptions and still subject to negotiation.

While discussing the report, the Business Board:

- Established that although Photocentric would hold a significant operating role as the main shareholder partner to the Combined Authority in the Centre, their presence in the building and involvement in its management would not be used as a key selling point for other potential clients.
- Noted the importance of ensuring that the board of directors of the joint venture company benefitted from experience in managing R&D incubators.
- Clarified that there would not be a cap on the level of Photocentric's exposure to future losses by the Centre. The Director of Business and Skills informed members that detailed internal and external analysis of the business plan had calculated a worst case scenario loss of £500k, which meant that the proposed reduction of £800k in initial investment was considered reasonable in order to cover this. The Section 73 Officer clarified that Photocentric were investing in return for shares to cover any cashflow requirement, which would lead to the company owning a greater portion of the asset proportional to their investment, although he suggested that it nonetheless represented an attractive deal for the Combined Authority.
- Confirmed that Photocentric would not pay a reduced rent rate as an anchor tenant, but would instead receive a reduction of approximately 25% against the market rate, along with all other tenants, as intended in the project's business model.
- Observed that there were additional costs to promoting and managing the Centre, as well as supporting the tenant companies, that were outside the cost of the building itself. The Section 73 Officer noted that the wording of the agreement ensured that Photocentric would cover cashflow needs, in recognition of any such additional costs that may arise.

It was resolved unanimously to:

- (a) Recommend that the Mayor approves the project change request at Appendix 3 for the Manufacturing & Materials Research & Development Centre;
- (b) Recommend the Mayor approve the revised Business Plan for the Peterborough R&D Property Company Ltd at Appendix 1;
- (c) Recommend the Mayor delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Section 73 and

the Monitoring Officer, to finalise and complete the necessary legal documentation for the Peterborough R&D Property Company Limited; and

- (d) Recommend the Mayor approves the allocation of the balance of the £13.773m Getting Building Fund monies to Phase 2 of the University of Peterborough project and releases the balance of the funding based on the amendment to the Business Plan.

5. Cambridgeshire and Peterborough Priority Sector Strategies

The Business Board received a report which presented sector strategies for three of the four priority sectors that had been outlined in the Cambridgeshire and Peterborough Local Industrial Strategy (LIS), with the fourth due to be presented in July or September 2021. Following their adoption by the Combined Authority Board, an implementation plan would be developed across all the strategies, although it was noted that implementation would be subject to securing future funding streams. The strategies would provide a basis from which funding bids could be developed and submitted, and would also provide a foundation from which any update or replacement to the LIS could be made.

While discussing the report, the Business Board:

- Sought clarification on how the strategies would be taken into account during the decision-making process for the submission of LUF and CRF bids. The Director of Business and Skills noted that the bid process for all the funds had a central focus on local strategies, with submissions required to demonstrate how they aligned with such strategies. It was also noted that the Combined Authority was the Lead Authority for CRF and future Shared Prosperity Fund bids and would therefore be able to take them into consideration throughout the process.
- Acknowledged that the strategies would serve as a reference that all future opportunities could be measured against.
- Established that a complete revision of the digital strategy, in light of the impact of Covid-19, was subject to agreement on funding and was likely to be presented later in 2021. **Action required**
- Confirmed that the strategies would be published on the Combined Authority's website once approved.

It was resolved unanimously to:

- (a) Recommend the Combined Authority Board approves adoption of the Advanced Materials and Manufacturing Sector Strategy;
- (b) Recommend the Combined Authority Board approves adoption of the Life Sciences Sector Strategy;
- (c) Recommend the Combined Authority Board approves the proposed One Page Digital Strategy update, adopts that one-page strategy update as an addendum

to the original strategy, and notes that the whole Digital Sector Strategy will be refreshed and brought back to the Combined Authority Board; and

- (d) Note that the Agri-Tech Sector Strategy will be presented to the Business Board in July 2021.

6. Format of Business Board Meetings

The Business Board was asked to consider and comment on a recommendation made by the Audit and Governance Committee to the Combined Authority Board that Business Board meetings should be held in public, unless determined by the Chair that a meeting should be in private or confidential session.

While discussing the report, the Business Board:

- Expressed concern that discussions on commercially sensitive issues could become less open if held in public, with members reluctant to speak on issues out of a concern that they might be judged unfairly, although it was noted that such matters would be able to be dealt with in a separate, private session, as with other boards and committees.
- Argued that the practice of some other LEPs to hold both public and private meetings was inefficient, time-consuming and detrimental to a fluid process.
- Observed that minutes of the Business Board meetings, as a record of what was discussed and agreed during meetings, were already public documents.
- Suggested that holding meetings in public could expand the Business Board's reach and involve a wider range of people and businesses.
- Clarified that making meetings public would not necessarily need to involve any direct input from members of the public but could simply accommodate their attendance.
- Expressed concern that not agreeing to the Audit and Governance Committee's recommendation could be detrimental to the Business Board's reputation.
- Supported the principle of increased transparency, noting that at the extraordinary meeting on 4th March 2021, the Business Board had agreed to being shadowed by a Lead Member of the Overview and Scrutiny Committee. Some members argued that a presumption that meetings should be held in public was necessary in order to be an open and transparent organisation, and it was agreed to work with the Overview and Scrutiny Committee to explore mechanisms to improve transparency. **Action required**

It was resolved unanimously to:

- (a) Consider and comment on the recommendation from the Audit and Governance Committee, 'that there should be a presumption that meetings of the Business Board are carried out in public (unless otherwise determined by the Chair)'; and;

- (b) Recommend to the Combined Authority that Business Board meetings retain the current format, holding meetings in private with one public annual meeting each year, recognising the need to improve transparency but not at the expense of compromising confidentiality, and to work earnestly with the Overview and Scrutiny Committee to explore mechanisms to improve that.

7. Growth Works Management Review – May 2021

The Business Board received the first iteration of the Growth Works Management Review, which provided an update on the mobilisation phase of the Business Growth Service in the build up to its public launch, which had been rescheduled to 27th May 2021, with internal structures and processes finalised and in place for the execution phase. A monthly executive summary would be published to track the service's progress, although Business Board members and other key stakeholders would be able to access real time information through an online portal. Members' attention was drawn to the four service lines detailed in section 6 of the report, particularly regarding the successful allocation by the service of 99% of £2.043m funding from the LGF, as well as early successes with inward investment. The report also sought the nomination of Business Board members for the Growth Works Investment Evaluation Panel and the Programme Management Committee.

While discussing the report, the Business Board:

- Paid tribute to the influential work of Nitin Patel in championing Small and Medium-sized Enterprises (SMEs) throughout the development of the Growth Works initiative and agreed to nominate him to be a member of the Investment Panel.
- Acknowledged the extensive experience of Mike Herd and agreed to nominate him to be a member of the Programme Management Committee.

It was resolved unanimously to:

- (a) Nominate Nitin Patel to be a voting member of the Growth Works Investment Evaluation Panel;
- (b) Nominate Mike Herd to be a member of the Programme Management Committee; and
- (c) Note the financial and non-financial performance of Growth Works and request any required changes to reporting going forward.

8. Business Board Nomination to the Greater Cambridge Partnership Executive Board

[The Chairman and Andy Williams left the meeting, having made their declarations of interest, and it was agreed that Aamir Khalid would chair the meeting for the duration of the item]

The Business Board received a report seeking the nomination of a Business Board member to be a non-voting, co-opted member of the Greater Cambridge Partnership Executive Board, as well as a substitute for the nominated member.

It was resolved unanimously to:

- (a) Nominate Austen Adams, as the Chair of the Business Board, to be a non-voting co-opted member of the Greater Cambridge Partnership Executive Board;
- (b) Nominate Dr Andy Williams as the Business Board's substitute member of the Greater Cambridge Partnership Executive Board;
- (c) Note that the nominations at (a) and (b) above are subject to approval by the Greater Cambridge Partnership Executive Board;
- (d) Note that the Greater Cambridge Partnership will be asked to consider putting in place an arrangement to allow the substitute member to routinely attend Executive Board meetings in an informal non-voting capacity; and
- (e) Note that a further report will be brought to the Business Board on the issue of Business Board nominations to the Greater Cambridge Partnership Joint Assembly.

[The Chairman returned to the meeting following the decision having been made]

9. Nomination of Business Board Representative for the Combined Authority Board

The Chair informed the Business Board that he had accepted this item as a late report, which was published on 18th May 2021, in order to ensure that a nomination was recommended to the Combined Authority Board in time for a Business Board representative to attend Combined Authority Board meetings once the current representative's term ended. The report recommended that the Chair of the Business Board be nominated as the representative on the Combined Authority Board, in line with the Business Board's constitution, which stated that the Chair would be a voting member of the Combined Authority Board. It was further recommended that the Vice-Chair of the Business Board be nominated as the substitute, as also indicated in the Business Board's constitution.

It was resolved unanimously to:

- (a) Nominate the Chair of the Business Board to be the Business Board Member of the Combined Authority Board for the municipal year 2021/22;
- (b) Nominate the Vice Chair of the Business Board to be the Substitute Member of the Combined Authority Board for the municipal year 2021/22; and
- (c) Recommend the nominations in (a) and (b) above to the Combined Authority.

10. Business Advisory Panel Update

The Business Board received a report outlining a proposed reconfiguration of the membership and terms of reference of the Business Advisory Panel (BAP). The panel's meetings had been suspended at the beginning of the Covid-19 pandemic in February 2020 on the basis that the local Economic Recovery Sub-Group (ERSG) would take on its role. Given the success of the ERSG in connecting the Combined Authority with the business community and other local authorities, it was proposed that the BAP be reconfigured so that its membership and functions aligned with those of the ERSG.

While discussing the report, the Business Board:

- Established that the BAP would elect a new Chairman at its first meeting after reconvening.
- Welcomed the involvement of officers from other local authorities in the BAP.
- Recalled previous concerns that had been expressed by members about the level of engagement and connectivity between the BAP and the Business Board, and suggested that it would be helpful if some members of the Business Board were invited to attend BAP meetings in order to establish a productive and meaningful relationship.
- Suggested that including trade union representatives in the BAP would provide an additional perspective and insight to discussions, while also increasing openness and positivity. Noting their participation in the former Mayoral Forum, Members emphasised that it would be important to establish their level of involvement so as to not disbalance the panel. The Business Board Manager undertook to consider whether the Trade Unions Congress could either itself become involved with the BAP or recommend a representative of trade unions to participate. **Action required**

It was resolved unanimously to:

Approve the proposed changes to the Business Advisory Panel's Terms of Reference, including changes to its membership and functions, as detailed in Appendix 1.

11. Strategic Funding Management Review – May 2021

The Business Board received the Strategic Funding Management Review, which provided an update on the strategic funding programmes and their progress to 21st April 2021, including the full allocation of funding from the LGF programme, the COVID Business Capital Grants scheme and the Eastern Agri-Tech Growth Initiative. Attention was drawn to updates on the iMet project and the Wisbech Access Strategy, both of which had encountered setbacks as detailed in section 4 of the report. An open call for bids to the CRF had received 24 submissions which were being evaluated prior to a final submission of bids on 18th June 2021.

While discussing the report, the Business Board expressed concern about further delays to the Wisbech Access Strategy, noting that it had first been approved in 2016,

and sought clarification on what could be expected in the revised programme and budget that would be presented to the Business Board in July 2021. The Senior Responsible Officer LGF informed members that Cambridgeshire County Council was looking for ways to overcome the delays, including through additional funding from alternative sources to the Business Board. The project had spent around £1.8m of the £6m that had been awarded and it was confirmed that the remaining £4.2m could be clawed back if the Business Board decided not to continue the project.

It was resolved unanimously to:

- (a) Note the update on the UK Community Renewal Fund (CRF) Programme; and
- (b) Note and recommend all the programme updates outlined in this paper to the Combined Authority Board.

12. Local Enterprise Partnership Review

The Business Board received a report which outlined the potential implications of the Government's Local Enterprise Partnership (LEP) review. Members were informed that as the review needed to establish whether to enhance the BEIS-funded business support function to significantly increase its impacts in recovery and regrowth, the Department for Business, Energy and Industrial Strategy (BEIS) had requested access to the Growth Work's Full Business Case, seeing it as a potential national model to turn a growth hub into a higher impact growth service. It was noted that this would be of particular importance if BEIS began to oversee and support LEPs following the withdrawal of funding from the Ministry of Housing, Communities and Local Government (MHCLG). Attention was also drawn to the possibility of the review concluding that multiple LEPs should merge into single larger LEPs over wider strategic areas, such as in the OxCam arc.

While discussing the report, the Business Board:

- Argued that the achievements of the Business Board since it had been formed were a demonstration of how LEPs could be successful when run differently.
- Acknowledged that changes to funding streams would require wider structural changes to LEPs, although it was suggested that such changes should be approached as an opportunity, rather than a threat.

It was resolved unanimously to:

- (a) Note the Terms of Reference for the Local Enterprise Partnership Review that were cleared by the Minister for Small Business and the Secretary of State for Business, Energy and Industrial Strategy;
- (b) Note the Chief Officer of the Business Board's interpretation of the potential options the Terms of Reference provide for Review outcomes; and

- (c) Note the potential implications of the Local Enterprise Partnership Review on the form and function of the Business Board.

13. Business and Market Engagement Update

The Business Board received a report which provided an update on business and market engagement activities across the Business and Skills directorate. Thought leadership articles written by some Business Board members had been published and well received, while member visits of businesses had also started to take place, further raising the Business Board's profile and demonstrating the impact of its investments. It was suggested that the upcoming peer review of the Business Board would provide an opportunity to highlight the importance of seeking continuous improvement and collaboration with other LEPs. Noting the strong interest in communications from the Growth Works, the Business and Market Engagement Officer undertook to provide members with presentations that would be made at upcoming Growth Works meetings.

Action required

While discussing the report, the Business Board noted the Mayor's appreciation for the Combined Authority's willingness to respond to his focus on compassion, cooperation and community. The Business and Market Engagement Officer agreed to circulate to members a briefing on how this would be achieved. **Action required**

It was resolved unanimously to:

- (a) Note the update on recent Business and Market Engagement activity; and
- (b) Note the forward plan of communications activity for the Business Board.

14. Business Board Headlines for Combined Authority Board

The Business Board noted the headlines that the Chairman would convey at the Combined Authority Board meeting on 30th June 2021.

15. Business Board Forward Plan

Confirming that the next meeting would be held on 19th July 2021, the Business Board noted its Forward Plan.

Chair
19th July 2021