

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
BUSINESS BOARD: MINUTES



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Date: Tuesday, 28th May 2019

Time: 3.00pm – 4.40pm

Location: Alconbury Weald Enterprise Campus, Huntingdon

Present: Aamir Khalid (Chairman), Austen Adams, James Palmer, Tina Barsby, Mark Dorsett, William Haire and Andy Neely

41. APOLOGIES AND DECLARATIONS OF INTERESTS

There were no apologies for absence.

Professor Neely declared an interest in Cambridge and Partners, an organisation he had helped set up, which was referred to in the Growth Company report.

42. MINUTES OF THE MEETING HELD ON 25TH MARCH 2019

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

43. FORWARD PLAN

It was resolved to note the Forward Plan.

44. SCHEDULE OF MEETINGS 2019-20

It was resolved to note the schedule of meetings 2019-20.

45. COMBINED AUTHORITY UPDATE

The Business Board received an update, as requested by Board members at the last Business Board meeting, which included decisions made by the Combined Authority Board since September 2018.

It was resolved to:

Consider the updates provided following the meetings of the Board held on the 26th September, 31st October, 28th November 2018, 30th January, 27th February and 27th March 2019.

46. BUSINESS AND SKILLS ANNUAL DELIVERY PLAN FOR 2019-20

Business Board Members were reminded that they had approved the first Delivery Plan in January. This final Plan met the recommended format and appropriate reporting requirements as issued by Government via the LEP Network.

The Annual Delivery Plan outlined income and expenditure, including funding commitments which had already been approved by the relevant bodies or were in the process of being approved, in addition to outputs. The draft Annual Plan had been considered by the Shadow Business Board in July 2018. The government had changed the template, but whilst the format had changed, the content remained the same: there were no new implications.

A Board Member commented that it would be helpful at future meetings to look at the logic of how various aspects of the Annual Delivery Plan fitted together. Other Members agreed that this would be useful, particularly as the Business Board itself was going through a process of change, to look at how the set of emerging priorities were aligning.

It was resolved to:

- a) approve the final Annual Delivery Plan for 2019-20 and for submission to Government; and
- b) recommend that the Combined Authority Board note the final Annual Delivery Plan for 2019-20
- c) request future reports on progress with the Delivery Plan.

47. PROGRESS ON GROWTH FUND PROGRAMME

The Business Board considered a report on the performance of the Growth Deals Programme to deliver new homes, jobs and skills across the LEP area from April 2015 to March 2019, and the current in-year position for both the Growth Deal and Growing Places Funds combined. The report set out an assessment of the pipeline of both current and expected projects.

The next Investment Prospectus call for projects would be launched in June 2019. It was proposed that this call would be promoted as an open ended call until the end of programme in 2021, or until all funding was allocated, to ensure the best bids come forward. Board Members' views on this approach, and the focus going forward, were welcomed. There were also plans for the Combined Authority to submit its own bids via its new Growth Company, although it was noted that a mixture of funding would be used going forward.

The Mayor advised that he had recently attended a Cambridge Angels dinner, and had been interested to see that businesses pitching for funding actually presented to the Board in person, rather than submitting a report for the Board's consideration. He suggested that this could address some of the challenges the Business Board had

faced when assessing bids, especially when further information was required. A number of other Board Members agreed, and commented that this model was used in their respective sectors. It also provided a more transparent decision making process.

It was noted that more work would be undertaken to evaluate and monitor how investments were performing over the next 12-18 months, to see if the outcomes invested in were being delivered. Updates on both Agri-tech and the Small Grants Fund were noted.

A Board Member asked if Growth Deal funding was limited to capital funding, noting that some businesses applying for grants or loans may not have the resources to deliver. It was confirmed that Growth Deal funding was limited to capital, and that all submissions were evaluated independently and care was taken to ensure that applicants had sufficient resources to deliver.

A Board Member requested a Member briefing on the University of Peterborough, which was the largest item in the pipeline, not least because of the ongoing Augar Review, which could lead to a reduction of student fees, and therefore had significant implications for the University. Officers advised that this was being reviewed, and a report would be considered at the Combined Authority Board this month.

A Board Member suggested that the mechanism for filtering submissions independently should be reviewed by the Business Board, which currently had no input in to that process, especially as the Local Industrial Strategy was taking shape. Officers confirmed that they were currently reviewing that process, and would welcome Board Member input. It was agreed that an informal Member workshop would be arranged prior to the next Business Board meeting. **Action required.**

It was resolved to:

- (a) note and recommend the Combined Authority Board agree the submission of the Growth Deal monitoring report to Government to end Q4 2018/19;
- (b) note the current and expected projects pipeline profile for the Local Growth Fund programme as at May 2019;
- (c) agree the launch of Investment Prospectus in June to call for investment projects and to note the text for the call for next round with delegation to Officers to refine the text as required;
- (d) note the Eastern Agri-Tech Growth Initiative update;
- (e) note the Progress of the Small Grant Scheme.

48. OXCAM ARC UPDATE

Business Board Members considered a report on the Oxcam Arc.

The OxCam Arc forms part of the ‘Golden Triangle’, a geographic area encompassing London, Cambridge and Oxford, which not only describes the elite universities but also the growth of the technology and life sciences sectors in Oxford, Cambridge, and Milton Keynes. The government recognised the massive potential of the OxCam Arc, and was working with LEPs and local authorities across the area to form an economic dynamo to rival the Northern Powerhouse and Midlands Engine, which mirrors the objectives of the Combined Authority. The area was the base for many global players, and opportunities for cross fertilisation and collaborative working need to be encouraged, with a focus on the area’s reknown knowledge economy, using the research and development focus to provide the critical mass which would not only fuel the area, but have valuable benefits for the wider UK.

A vital consideration was not only how to deliver growth in an innovative way, but to do so in an inclusive way to bring benefits to pockets of deprivation. The current challenges faced in the OxCam Arc, which were around lack of coordination, support and resources were set out within the report, along with proposed actions to address those issues, in particular the infrastructure deficits, linking in to projects that were being delivered by the Combined Authority, and how these could be addressed across the Arc. A key challenge would be governance, as there were 31 local authorities across the area, so the Combined Authority could play a major role in developing visionary regional governance. It was noted that in addition to regular officer meetings, the Mayor attended regular meetings of leaders from across the OxCam Arc.

Arising from the report:

- a Board Member noted that the sectors listed did not include agriculture or agri-tech, which should be included given the prevalence of those industries in the CPCA area, and the focus on climate change;
- the Mayor commented that Cambridgeshire was a world destination that rivalled other global destinations, but this still did not appear to be recognised by government in their investment priorities. Additionally, more attention was required not just to projects such as East West Rail, but the infrastructure required to facilitate the “last mile” of journeys e.g. the Metro. The Combined Authority needed to continue to push for recognition of its strengths and achievements, and receive the funding and recognition it deserved from government;
- a Board Member highlighted the collaborative working by universities across the OxCam Arc, and supported the opportunity to create an area to rival the Northern Powerhouse and Midlands Engine. He agreed with the Mayor’s concern about developing the infrastructure for the “last mile”. He also observed that the East West Rail link was coming from the Oxford/Milton Keynes end, and progress needed to be made from the Cambridge end. There was also an issue of branding, and the Business Board logo needed to feature. In discussion, it was noted that John Hill represented the Business Board in OxCam Arc meetings, but it was suggested that the Business Board Chairman should also be invited.

- the Mayor commented that the national focus appeared to be on replicating similar clusters around the country, whereas the focus should be on developing and promoting the OxCam Arc;
- Board Members agreed that the Business Board should receive regularly updates on the OxCam Arc.

It was resolved to:

- (a) note the update provided in this report;
- (b) comment and provide a steer for officers in the ongoing development of the OxCam Arc;
- (c) recommend this update to the Combined Authority Board;
- (d) agreed that the Chairman should submit formal representation to BEIS outlining Business Board Members' comments.

49. ENERGY HUB

The Business Board considered a report on the Accountable Body for the Greater South East Energy Hub, which operates on behalf of the eleven Local Enterprise Partnership (LEP) areas served and their member local authorities. A Hub Board has been established, with members from each of the LEPs, but the government required the Hub Board to be formally recognised within the CPCA governance structure.

In discussion, it was suggested that whilst the Combined Authority was the Accountable Body for the Energy Hub, and the Hub had a significant budget, there were still many issues in the Cambridgeshire and Peterborough area, e.g. businesses were still encountering difficulties such as securing an energy supply to their sites. It was vital that the Energy Hub supported businesses in overcoming these difficulties.

It was resolved to:

- (a) recommend the Combined Authority Board to agree to the establishment of the Greater South East Energy Hub Board in line with the draft Terms of Reference and included in this report, and authorise the Director of Business & Skills, in consultation with the Chief Finance Officer and Monitoring Officer, to make minor amendments to terms of reference as required in their finalization;
- (b) agree to delegate the appointment of the Hub Board member to the Director of Business, Skills & Energy;
- (c) agree to delegate authority to the Energy Hub Board for the use of the Local Energy Capacity Support Grant and Rural Community Energy Fund where the decisions do not impact Cambridgeshire and Peterborough Combined Authority staffing arrangements;

(d) note the draft Accountable Body Agreement and authorise the Section 73 Officer to make minor amendments and finalise the agreement.

50. ASSURANCE FRAMEWORK

The Business Board considered a report on the revised Assurance Framework. An updated version had been tabled.

Board Members were reminded that because LEPs were not statutory bodies, but set up under guidance, Assurance Frameworks were put in place, requiring the Section 73 Officer (Chief Finance Officer) to sign off to confirm that the LEP was compliant, as they dealt with public funds. The Assurance Framework was an evolving document: further government comments were expected, so more amendments may be required. The expectation was that the Local Assurance Framework would be reviewed and refreshed at least annually.

Aspects of the Combined Authority's operation, including the Local Industrial Strategy, the Energy Hub, and Agri-tech had been incorporated. The Assurance Framework was useful to both members and the public, as it set out in a very simple way how the Combined Authority would deliver its objectives. The key purpose of the Assurance Framework was to ensure that the necessary systems and processes were in place to effectively manage the delegated funding from government budgets.

A Board Member noted that there were references in the Assurance Framework stressing the independence of the Business Board, but all advice given to the Board came from CPCA officers. Whilst it was vital the Business Board was aligned with the Combined Authority, he asked how the Business Board sought independent advice. Officers advised that they were currently working towards a draft staffing structure, which included a separate Monitoring Officer and Chief Finance Officer for the Business Board. Additionally, the Business Board had the ability to commission work on individual projects.

It was resolved to:

agree the revised single Assurance Framework, which is in line with the Ministry of Housing, Communities & Local Government's revised National Local Growth Assurance Framework for Mayoral Combined Authorities with a Single Pot and Local Enterprise Partnerships, as per Appendix 1 to the report.

51. BETTER SHARING CHAIR AND MEMBER TASKS ACROSS THE BUSINESS BOARD

The Business Board considered a report on the arrangements for recruiting a new Chairman and Board Members, and the assignment of key tasks across the Business Board, taking into consideration government guidance, the National Local Growth Assurance Framework and the Business Board Constitution.

Following his recent promotion to Chief Executive Officer of The Welding Institute, and the increasing volume of tasks falling to the Business Board Chair, Professor Aamir Khalid indicated that he felt he could no longer devote sufficient time to the role of Chair, and would like the Board to consider alternative arrangements for sharing the workload.

Members recorded their thanks to Professor Khalid for his service to the Business Board, which was very much appreciated, and their understanding as to why he was choosing to step down. It was acknowledged that all Business Board Members had very busy business commitments in addition to their Business Board responsibilities, so it was essential that the workload was spread out to make it more manageable.

Arising from the report:

- a Member expressed concern that the same problem was likely to reoccur when a new Chair was appointed, and suggested that the model may need rethinking, e.g. someone at a different stage in their career;
- another Member suggested that Business Board Members needed specific portfolio responsibilities e.g. Energy Hub, OxCam Arc, etc, with the focus of the Chair's role being to represent the Board in certain forums and discussions;
- Board Members noted the proposal that the Chair, or at least an Interim Chair, be chosen from within the current Business Board membership, reducing the time required to advertise and recruit. The report set out a simple process for an existing members of the Board to offer to be chair for the remaining period of the term;
- a Board Member observed that the Business Board had been running for a year, and Members were now more aware of the practicalities of their roles, and the commitment required. It was also suggested that a member of an effective LEP, which had been operating longer than the Business Board, could be invited to a workshop, to talk about how their LEP worked. It was suggested that BEIS may be able to identify a suitable LEP to approach.

Board Members noted that it was proposed to increase Board membership to ten Members, but more Members could be appointed, up to a maximum of twenty. Previously concerns had been expressed that all sectors were not represented on the Business Board, in addition to the gender balance. It was suggested that the optimum number of Members could form part of subsequent discussions, and also ways in which the Board could become more independent of the Combined Authority, whilst acknowledging the guidance and Framework it operated within.

It was resolved to:

- (a) discuss alternative ways of handling both the volume of work and the different skills required to fulfil the tasks falling to the Chair as set out in Appendix A to the report;

- (b) agree the process for appointing an interim Chair until a permanent appointment is made;
- (c) agree delegated authority be given to the Chief Executive to accept the recommendation of the recruitment panel for the interim Chair and that the Board shall ratify the decision at their next meeting in July;
- (d) agree that the Constitution be amended to include the process for appointing an interim Chair mid-term as set out below and in Appendix B to the report (para 3.7);
- (e) agree that a report be submitted to the next meeting of the Business Board on the appointment of additional members and the Chair that accord with the National Guidance set out in Appendix B to the report;
- (e) agree discussion on assignment of Board member tasks to conclude at a future board meeting;
- (f) agree that a further informal meeting should be arranged to explore the above issues further.

52. CONSTITUTION REVIEW

The Board considered a report that proposed a number of changes to the Business Board Constitution. This document had originally been agreed at its first meeting in September 2018. The changes reflected good practice and recent changes to guidance and legislation. It was stressed that the Constitution was very much a living document which would continue to evolve.

It was agreed that Ramsey should be added to the list of market towns in Huntingdonshire in section 2.2 of the Constitution. **Action required.**

Noting the delegation to the Director of Business & Skills to approve small grants to SMEs between £2,000 and £20,000, there was a query on the financial cap to other delegations. It was confirmed that there were no such financial delegations, and with the exception of the delegation cited, all decisions had to come through the Business Board.

It was resolved to:

Approve the amendments to the constitution set out in Appendix 1 to the report.

53. BUSINESS BOARD HEADLINES FOR COMBINED AUTHORITY BOARD

None.

54. DATE OF NEXT MEETING

It was noted that the next meeting was scheduled for 22nd July 2019.

55. GROWTH DEAL PROJECT PROPOSALS

Prior to the introduction of the item, the Chairman asked whether the Board wished to discuss the content of the confidential appendices for this item, and the items on Greater Peterborough Inward Investment Pilot and the Growth Company Strategic Outline Business Case. It was confirmed that the Board would discuss these appendices and therefore the Chairman moved that the press and public be excluded from the discussion.

On being put to the vote it was resolved unanimously to:

Exclude the press and public from the meeting for discussion of the Appendix to the report on the grounds that it contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Board Members were reminded that at the March meeting, a number of Growth Deal Project proposals had been deferred, pending the receipt of further information.

It was resolved to:

- a. consider the additional information in relation to projects resubmitted for Growth Deal Funds;
- b. recommended both schemes to the Combined Authority Board for approval.

56. GREATER PETERBOROUGH INWARD INVESTMENT PILOT

The Business Board considered a report on the proposed arrangements for a one-year contract on Inward Investment support activity, with the objective of creating new jobs and boosting productivity.

It was resolved to:

- a) consider the proposal for a pilot one-year inward investment service for Greater Peterborough area; and
- b) approve the one-year contract funds to Peterborough City Council and recommend to the Combined Authority Board for approval.

57. GROWTH COMPANY STRATEGIC OUTLINE BUSINESS CASE

The Business Board considered the Strategic Outline Business Case for a growth company. Creation of a new Growth Company was identified in the Local Industrial Strategy (LIS), approved in March 2019.

It was resolved to:

- (a) comment on the Growth Company Strategic Outline Business Case;
- (b) approve the development of an Outline Business Case (OBC) for September 2019;
- (c) comment and approve the principle of using a Company Limited by Guarantee as the delivery vehicle for the three services, with details for its operation and governance to developed for an OBC;
- (d) Make recommendation to the Combined Authority Board to authorise Officers to form a Company Limited by Guarantee in June 2019;
- (e) Agree the funding strategy for the services and make recommendation to CA Board to authorise Officers to:
 - i. Submit proposals for external funding to Local Growth Fund, Growing Places Fund, European social Fund and European Regional Development Fund
 - ii. Submit, through the subsequent Outline Business Case proposals for internal funding from within the already agreed Medium Term Financial Plan of the Business Board and its Enterprise Zone receipts
- (f) Give feedback on how officers might strengthen the case for the OBC in July and Full Business Case in October.

Chairman