

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
BUSINESS BOARD: MINUTES



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Date: Monday, 22nd July 2019

Time: 2.40-4.35pm

Location: Cambridge Clinical Research Centre, Cambridge Biomedical campus

Present: Aamir Khalid, Austen Adams, James Palmer, Tina Barsby, William Haire, Andy Neely and Councillor Wayne Fitzgerald

58. APPOINTMENT OF INTERIM CHAIRMAN/WOMAN

Following on from the discussion at the last meeting of the Business Board, a process had been undertaken to identify an interim Chair. One applicant - Austen Adams – had come forward. The interview process, including the make-up of the interview panel and the range of the questions asked, were outlined. The panel recommended that Austen Adams be appointed as Interim Chair.

Aamir Khalid affirmed his resignation as Chairman. No other nominations were put forward by remaining Board members, and Austen Adams was unanimously appointed as the Interim Chairman. Aamir Khalid officially stepped down and the meeting continued under the Chairmanship of Austen Adams.

On behalf of the Business Board, Austen Adams thanked Aamir Khalid for his skilful chairing over the previous year.

59. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies were received from Councillor Holdich (Councillor Fitzgerald substituting).

The Chairman, Austen Adams, declared an interest in Chatteris Technology Park, which was referred to in the CPCA Advanced Materials Manufacturing report. Mr Adams observed that no decisions were being made relating to that site, so he would like to participate in that debate.

Professor Neely declared an interest as a Non-executive Director in Cambridge Innovation Capital, referenced in the Local Industrial Strategy.

Councillor Fitzgerald declared an interest as Deputy Leader of Peterborough City Council in the University of Peterborough item, adding that he had no personal conflict in relation to this item.

60. MINUTES OF THE MEETING HELD ON 28TH MAY 2019

The minutes of the Business Board meeting held on 28th May 2019 were agreed as a correct record and signed by the Chairman.

61. COMBINED AUTHORITY UPDATE

The Business Board considered a verbal report on key headlines from the Combined Authority.

Three housing schemes had been approved at the June Combined Authority Board meeting, including the conversion of 25 units at Alexander House in Ely (£4.5M), a contribution towards 14 units over seven sites in Huntingdon owned by Luminus (£600K) and a site acquisition at a confidential location in the CPCA area (18 units, £1.2M).

A number of transport projects had also been approved to further develop the Major Road Network and Large Local Majors funding streams. The final list had recently been signed off.

There was a discussion around the transport constraints of the Addenbrooke's site. The Mayor commented that the key problem was the lack of a railway station, which was particularly frustrating given that both Astra Zeneca and the Royal Papworth Hospital NHS Foundation Trust had committed to move to the Addenbrooke's site some years ago, and both were due to be on site this year. The government had announced that the railway station would be operational by 2028, which was very disappointing given the importance of this site nationally and internationally. The Mayor commented that the change in Prime Minister would hopefully lead to a change of priority for infrastructure development.

There was a discussion about the lack of parking at Addenbrookes, and the Mayor commented that extensive new car parking on site was not an objective, but a modal shift with an emphasis on public transport. The Combined Authority was working with bus companies, to secure reductions in fares in order to increase patronage. Whilst there were moves to expand the Park & Ride options in Trumpington, the Mayor commented that he was more sceptical about Park & Ride, as he felt it just moved the problem from one place to another, and the overriding objective should be to discourage people using their cars. A member commented that the Park & Ride site was currently full to capacity, and as an interim solution, it was vital to get people to work in the short term.

It was resolved to:

Note the update.

62. BUSINESS ADVISORY PANEL UPDATE – JULY 2019

The Board considered the minutes of the new Business Advisory Panel meeting held on 27th June 2019. Members were reminded that the Business Advisory Panel was formed to provide the Business Board with independent advice from representatives of the business community. The membership of Business Advisory Panel was noted.

At its first meeting, the Business Advisory Panel had debated the current gap in provision of local business support, drawing upon their wider knowledge of what was being done in the neighbouring regions and across the country. The Business Advisory Panel represented a large, local membership (approximately 7,920) based business community that was transparent and apolitical. In response to a member question, it was confirmed that there were around 25,000 businesses in Cambridgeshire and Peterborough. The member commented that it would be interesting to know whether the Panel was representative in terms of the size of businesses.

It was noted that as Panel was advisory in nature, there was no obligation for the Business Board to act upon its recommendations. However, some of the recommendations could clearly be supported by funding available to the Business Board, if members had the desire or will to take them forward.

Arising from the report:

- in response to a member question, it was confirmed that in terms of membership *“other members may be appointed by a simple majority”*, so membership was very flexible. A Member also suggested that the Business Advisory Panel may benefit from more members from more local businesses, not just large, national organisations;
- with regard to the EU Exit support for export/import documentation, it was noted that the situation with export was a major concern currently. There had been a request from HMRC to set up Brexit events over summer, which may be poorly timed given that many people would be on holiday. The focus was very much about business resilience rather than Brexit specifically;
- a member commented that it would be useful to see the underlying evidence base on which the recommendations had been made;
- the Mayor advised that bulk of funding for business was earmarked for export businesses. However, there was also a considerable problem owing to the lack of construction workers, and he felt that there should be direct engagement with that sector, which was vital for Cambridgeshire and Peterborough residents, as the number of homes being built in the county was consistently falling short of targets;
- Business Board members noted the representatives put forward by member organisations. A member observed that one member of the Panel had previously been on the LEP, and it was suggested that the Panel may be best served by having a clean break for the LEP. Another member suggested that previous LEP involvement was not necessarily a drawback. The merits of the recruitment of Panel members by approaching key business groups in the Combined Authority area was discussed. It was also suggested that it would have been helpful for the Business Board to consider the Business Advisory Panel report at an earlier stage, so that Business Board members could comment and shape the recruitment and governance processes.

It was resolved to:

- a) note the minutes of the Business Advisory Panel meeting held on 27th June 2019;
- b) approve the appointments of Chairman and Vice-Chairman made by the Business Advisory Panel;
- c) note the recommendations from the Business Advisory Panel as set out in Section 2.4 of the report.

64. LOCAL GROWTH FUND UPDATE

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 30 June 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.

To date, £85.3M in Growth Deal payments had been made, and an additional two projects approved by the Business Board in May, totalling £4.05M. The A428 road improvements project would not be going ahead so £9M was being removed from the forecast spend and returned to available funds. £49M of Growth Deal funding remained.

Board members noted that a formal monitoring return for Growth Deal performance and forecasts needed to be submitted to government by 23rd August 2019, setting out the return for Quarter 1 2019/20. A summary of the return was set out at Appendix A to the report. Appendix D set out the new Investment Prospectus for the latest Call. It was confirmed that this had been published prior to the meeting, but was largely similar to the document considered at the May meeting of the Business Board, with a small number of date changes.

There was a discussion about the proposed new Capital Growth Grants for small businesses, for which a £3M pilot programme was proposed, for grants totalling between £10K and £100K. Whilst £3M was requested initially, potentially more funding would follow this pilot, up to a total of £15M of the LGF. Given the likely volume of applications, it was proposed that an external provider would manage and administer this high volume/low value scheme. It was confirmed that the existing small grants scheme gave grants of between £2K and £20K.

Board members discussed whether this should be opened up to larger companies, i.e. small grants to non-SMEs, but officers advised that other funding and interventions were planned for larger companies. It was further noted that the proposal for a growth coaching service would probably not be launched until 2020. A member suggested that the same mechanism that applied to the Eastern Agri-tech Growth Initiative could be used.

There was a discussion around the lower and upper limits (£10K-£100K) and the rationale behind those parameters. Officers commented that one of the intentions was

for the pilot to establish whether these limits were appropriate. Board members commented that they would like to have been consulted and it was agreed that their views would be sought following the meeting.

A Member observed that £10M had originally been identified for the University in Peterborough in the Capital Growth Grant Scheme, and this had increased to £15M. Officers explained that the increase was due to an increased desire to fund the capital fund and potentially provide subsidies for the first few years. This scheme was potentially a joint venture between CPCA and Peterborough City Council, and that proposal would need a set of criteria, including a long period for Value Added and job outcomes.

Members were pleased to note that on the existing Small Grant Scheme, £66,099 had been granted, and 13 new jobs created. They requested a list of the grants that had been approved. **Action required.**

For the proposed Entrepreneur Advisory Panel (EAP), an additional step in the process would be a “Dragon’s Den” style interview panel. It was proposed that the Mayor led that panel, with up to three Business Board members.

It was resolved to:

- a) recommend the Combined Authority Board agree the submission of the Growth Deal monitoring report to Government to end Q1 2019/20;
- b) note the revised categorisation of projects in the pipeline and forecast spend beyond July 2019;
- c) recommend to the Combined Authority Board the proposed creation of a Capital Growth Grant scheme for small businesses using LGF and recommend to the Combined Authority Board for approval of a £3m pilot programme and for Officers to run a procurement for a provider to deliver the pilot programme;
- d) note the launch of Investment Prospectus in July to call for investment projects;
- e) approve the remit and Terms of Reference for the proposed Entrepreneur Assessment Panel (EAP) being created in the LGF application process and request Board members to volunteer to sit on this panel;
- f) note the Eastern Agri-Tech Growth Initiative update;
- g) note the progress of the existing Small Grant Scheme.

64. INTERNAL AUDIT – BUSINESS BOARD

The Business Board considered a report detailing the outcomes from the review commissioned in relation to the Business Board which was considered by the Audit and Governance Committee on 31 May 2019.

Business Board members noted that there was a government requirement for LEPs to have an Internal Audit function. Peterborough City Council had been commissioned to provide the Internal Audit functions for the Combined Authority, including the Business Board. A total of 77 areas were explored, and the following areas were raised as requiring action:

- Publication of financial data
- Arrangements to ensure Value for Money
- Project Delivery
- Engagement
- Board remuneration
- Government branding
- Recovery of funding

Officers outlined the actions taken to date in response to the Internal Audit reports, and whether the actions had been completed or were outstanding/ongoing.

It was resolved to:

- a) consider the outcomes from the review of corporate governance of the Business Board together with the proposed actions for management to address any weaknesses identified (Appendix 1 of the report); and
- b) note that the S151 Officer would submit the Audit Report to the Cities and Local Growth Unit together with any comments of the Business Board.

65. ALCONBURY ENTERPRISE ZONE MEMORANDUM OF UNDERSTANDING AND ENTERPRISE ZONE GOVERNANCE

Business Board Members considered a request for approval for the agreed Memorandum of Understanding around governance and distribution of NNDR monies on Alconbury Enterprise Zone, and also the proposed Terms of Reference for the Enterprise Zone governance.

Historically, there had been steering groups for Enterprise Zones, but it was proposed to forgo that layer of governance, and report directly to the Combined Authority Board. The Memorandum of Understanding set out the governance arrangements between the Combined Authority and Huntingdonshire District Council, and the criteria for the redistribution of retained Business Rates. The potential income from the retained Business Rates was noted, and the Business Board would make the decisions on how this vital income was utilised. There were no restrictions on how this income could be spent.

A member suggested that the governance documents need to be clear that the Business Board would make recommendations to the Combined Authority on how the income is spent. **Action required.** Subject to this addition, Board members agreed that they were happy with the recommendations.

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

1. approve the Alconbury Enterprise Zone Memorandum of Understanding between CPCA and Huntingdonshire District Council;
2. approve adoption of the proposed Enterprise Zone Programme Terms of Reference and associated governance.

66. CPCA ADVANCED MATERIALS MANUFACTURING STRATEGY

The Business Board considered the first Cambridgeshire and Peterborough Combined Authority Advanced Materials & Manufacturing Strategy. The Strategy was commissioned in November 2018 after a procurement exercise that appointed Hethel innovation Ltd to deliver it. The final Strategy included 26 recommendations derived from consultations and feedback, which had been refined, tested with stakeholders and consultees, and cross-referenced against other strategies including the Local Industrial Strategy.

A Member suggested that it would be good to have the Strategy authors, Hethel Innovation, presenting to a future Business Board meeting, and similarly it would be helpful to have a presentation on the Digital Strategy.

A Member commented that whilst the Strategy was generally positive and comprehensive, the focus was on the 'what' and 'why', but less about 'how' i.e. identifying the optimal interventions and ascertaining the potential for deliverability. Officers advised that the Local Industrial Strategy was being developed over the summer, and this could be fed in from a sectoral point of view.

It was resolved to:

Note and recommend the Cambridgeshire and Peterborough Advanced Materials & Manufacturing Strategy to the Combined Authority Board for approval.

67. PETERBOROUGH STATION QUARTER MASTERPLAN

Business Board Members considered a proposal for a joint project to accelerate production of a new masterplan for an area of land within Peterborough city centre. Funding was sought to accelerate the delivery of the masterplan scheme.

Councillor Fitzgerald declared an interest as Deputy Leader of Peterborough City Council, as the Council was a landowner and key partner in the development. William Haire declared an interest as was using LDA Design who were the design consultants for the Peterborough Station Quarter Masterplan.

The ten acres of land in question around Peterborough station were owned by LNER, Peterborough City Council and Network Rail, with the latter being the primary landowner. The project had numerous facets, not just relating to the land but also user experience. The aspirations of the project included the development of 10,000m²

leisure and office space, with the potential to attract major players, e.g. the relocation of government departments, and create 600 jobs, many of which would be higher value. The projected GVA and multiplier effects of the proposals were noted.

Approval was sought for a Combined Authority contribution of £46,000 for the masterplan study, with the remaining 50% of funding being met by Peterborough City Council, Network Rail and LNER. The £46,000 was available within the LIS implementation line of for 2019-20. A Member was surprised that there was an expectation from the other three parties that the Combined Authority would fund 50% of the study. It was noted that the Combined Authority could choose whether or not it would be involved in the project if it progressed.

Councillor Fitzgerald referred to Peterborough City Council's track record of delivering these type of schemes, e.g. the South Bank redevelopment. The proposals were a big opportunity for a number of reasons and desperately needed in what was the UK's fifth fastest growing city. It was noted that only 5,000,000 people used Peterborough station annually compared to 11,000,000 using Cambridge central station. Peterborough station also acted a gateway to a wider area, including Leicestershire and Lincolnshire, and was a major intersection poorly served in terms of leisure and meeting facilities.

It was resolved to:

1. consider the proposal for funding masterplan study and delivery covering the Peterborough station quarter area;
2. recommend approval of the funds to Peterborough City Council and recommend to the Combined Authority Board.

68. LOCAL INDUSTRIAL STRATEGY

The Business Board considered a report on the first Cambridgeshire and Peterborough Industrial Strategy, which had been published by government on 19th July 2019.

Members noted the proposals for implementation delivery of the Strategy, focusing on the three sub-economies (Life Sciences, Agri-tech and Digital/IT). The priority interventions set out in the LIS were categorised by three types of delivery:

- those that were existing commitments and devolved functions (e.g. Adult Education)
- designed interventions which have funding strategies which were being designed in consultation following the approval of the LIS (e.g. Growth Coaching, Skills Hub)
- interventions which would be invited from partners through a new call to the LGF (e.g. launch pad in specific geographic areas).

The Industrial Strategy included a chapter focusing on the Oxcam Arc, and a meeting was scheduled with DCLG on 5th August to discuss the strategic business case of the Oxcam Arc. A member observed that Agri-tech did not really feature in the priorities for the Oxcam Arc, and that may need reconsideration, as there were clearly activities taking place. Officers responded that that could be achieved through the Delivery Plans.

It was noted that various figures and tables were missing from the version of the Industrial Strategy appended to the report. It was confirmed that the Industrial Strategy had not been finalised and published until after agenda despatch, and that the final version was now available and would be available on both the Combined Authority's and the BEIS website.

On behalf of the Business Board, the Chairman congratulated all those involved for a job well done, and also thanked William Haire for representing the Business Board on this issue at the recent meeting.

It was resolved to:

- a. note the publication of the final Local Industrial Strategy;
- b. note the next steps regards the implementation and delivery plans.

69. REVIEW OF UNIVERSITY OF PETERBOROUGH

The Business Board considered a report on the delivery of the University of Peterborough. It was noted that a report had been presented to the Combined Authority's Skills Committee on 3rd April, and subsequently approved by the Combined Authority Board on 29th May.

Members noted the timescales for commitment and spend of funding included in Table B of the original Skills Committee report, which set out key milestones, including the first intake of students in September 2022. Project management consultants Mace had been appointed, following a procurement exercise through the CCS framework, and the Mace team comprised a strong team of 18 expert consultants from varying professions. Officers had been working with Mace since the end of June, looking at various strategies.

Members noted that the next stage was to appoint a Higher Education partner. To date, officers had been working with the University Centre Peterborough, but from 1st August the joint venture with Anglia University would cease to exist. It would take some time to identify the right Higher Education partner, which needed to be a quality organisation that would work well with businesses in the local area, and it was imperative that this process was not rushed. In response to a Member question, it was confirmed the Higher Education partner should be an existing university.

Feedback had been sought from 200 businesses in the Peterborough area, and a 60% response rate had been achieved, with the key concern being that the focus should be on technical qualifications at the new university, meeting the demands of the local market, and the bid document would make that point clear. The Prior Information Notice (PIN) would be issued in early August, starting the whole process.

The Mayor commented that he was pleased that Mace were on board for this vital project, and observed that a 60% response rate from Peterborough businesses was exceptional, highlighting how important this issue was for the local economy. He also

commented on the relationships with Peterborough Regional College (PRC) and Anglia Ruskin University, noting that it was a great opportunity for PRC to become a feeder college for the University. He praised the officers involved, saying that they had worked really hard to get the project to this stage.

A member asked if the intention was to follow a particular model set by another university. Officers advised that there were many models in the sector, but this was an opportunity to have a hybrid model between traditional and technical universities, meeting the needs of both demographics and the community. One of the great challenges would be to ensure that all stakeholders understand the balance to be had between economic development and what businesses want. A member commented that students wanted an attractive place to live and study, which links in with the bigger vision for Peterborough.

A member commented that this was an exciting opportunity to create a university fit for this time, rather than replicating what universities had previously done. He stressed the importance of Mace seeing this as more than a building project, and suggested contacting both Lynette Ryals, Chief Executive of Milton Keynes University, and also Pearson (digital publishing) who were doing some groundbreaking work with American universities.

It was resolved to:

note the findings of the reviews that were recommended and approved by the Combined Authority Board for the way forward for the University of Peterborough to be developed to meet the outcomes of the Cambridgeshire and Peterborough independent Economic Review, Local Industrial Strategy and Skills Strategy.

70. RECRUITMENT OF NEW CHAIR AND BUSINESS BOARD MEMBERS

The Business Board considered a report on the arrangements for recruiting a new Chair and Business Board members, in line with the National Local growth Assurance Framework and the Business Board Constitution.

Members had agreed to appoint an interim Chairman at the start of the meeting. The report set out the process and timetable for the appointment of further members and a permanent Chairman. In addition, members' views were sought on a Diversity Statement, which set out how the Business Board would reflect the local business community, including geographies, gender and protected characteristics. Tina Barsby agreed to be the Business Board's Champion for Diversity for an interim period of around six months. Tactics to attract a wider range of candidates were discussed.

It was resolved to:

1. agreed the process and timetable for the recruitment of the permanent Chair and additional Business Board members (in line with the National Guidance set out in Appendix 1 of the report);

2. agreed the revised Diversity Statement to meet the Business Boards diversity requirement (Appendix 3 of the report) and the appointment of Dr Tina Barsby to act as the Board Diversity Champion to support the recruitment process, and be involved in candidate shortlisting;
3. approved the increase of Business Board membership from 9 to 12 members.

71. BUSINESS BOARD HEADLINES FOR COMBINED AUTHORITY

It was noted that the Chairman was not available to attend the Combined Authority Board due to a prior commitment.

The Chairman commented that the Board was reviewing its purpose, and assessing whether it was appropriately aligned in terms of vision.

72. BUSINESS BOARD HEADLINES FOR COMBINED AUTHORITY BOARD

None.

73. FORWARD PLAN

It was resolved to note the Forward Plan.

Referring back to the Advanced Materials Manufacturing Strategy item, a member requested that the authors of the Digital Strategy be invited to discuss the Strategy with the Business Board. **Action required.**

74. DATE OF NEXT MEETING

It was noted that the next meeting was scheduled for 23 September 2019.

Chairman