



THE BUSINESS BOARD

Business Board: Minutes

(Draft minutes published on 28th November 2022)

Date: 14th November 2022

Time: 2:30pm – 5:00pm

Present: Alex Plant (Chair), Andy Neely (Vice-Chair), Vic Annells, Tina Barsby, Belinda Clarke, Councillor Lewis Herbert, Mike Herd, Faye Holland, Jason Mellad, Nitin Patel, Rebecca Stephens and Andy Williams

109. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Aamir Khalid, Al Kingsley and Mayor Dr Nik Johnson.

The Chair noted Mayor Dr Nik Johnson was on a period of medical leave, and the Business Board expressed its support to the Mayor for a speedy recovery.

Rebecca Stephens declared a non-statutory disclosable interest in relation to the 'Strategic Funds Management Review – November 2022' (agenda item 2.2), which precluded her participation in the discussion and vote on the item.

Vic Annells declared a non-statutory disclosable interest in relation to the 'Local Skills Improvement Plan' (agenda item 3.3), as the Chief Executive of the Cambridgeshire Chambers of Commerce.

Faye Holland declared a non-statutory disclosable interest in relation to the 'Local Skills Improvement Plan' (agenda item 3.3), as a member of the Cambridgeshire Chambers of Commerce Board of Directors.

The Chair welcomed the Interim Chief Executive of the Combined Authority, Gordon Mitchell. Noting that he had been tasked with improving the Combined Authority's structure and how it operated, the Interim Chief Executive informed the Business Board that he was reorientating some of the Combined Authority's work in order to provide greater clarity on its priorities and over-riding strategy. An analysis of the current situation and a proposed improvement framework to ultimately develop a unified voice and direction for the Combined Authority, which included the establishment of an Independent Improvement Board and an Improvement Group, was presented to the Combined Authority Board at its meeting on 19th October 2022 and unanimously approved. Noting that alongside this review the government was also considering the future role of Local Enterprise Partnerships (LEPs) across the country, he highlighted and welcomed the proposal for a wider integration of LEPs into mayoral combined authorities, as had been achieved with the Business Board. Nonetheless, he expressed

concern that the source of future core funding for LEPs remained unclear, and suggested that financial resources could potentially be provided from the Combined Authority in the future.

110. Minutes – 12th September 2022

The minutes of the meeting held on 12th September 2022 were approved as a correct record.

The Business Board noted the Minutes Action Log.

111. Budget and Performance Report

The Business Board received the latest budget and performance report, which provided an update and overview of the revenue and capital funding lines within the Business and Skills directorate to 31st August 2022. Attention was drawn to Table 7 in the report, which demonstrated that the Business Board was projected to have approximately £2.5m-£3m at its disposal for allocation to projects over the next few years, with a further £2m-£3m available through long-term loans over the next ten to fifteen years.

While discussing the report, the Business Board:

- Acknowledged that future funding levels would be at a lower level than previous resources, and highlighted the need to consider how the Business Board would spend and allocate the strategic funds at its disposal in line with the Economic Growth Strategy (EGS), noting that there were fewer constraints on time and scope than with the LGF resources. It was suggested that Enterprise Zone receipts could provide a further source of funding for delivery of the EGS.
- Sought clarification on the impact of underspending for the Business Board and wider Combined Authority. Members were informed that as the majority of funds were being recycled or flowed through the Combined Authority's Gainshare funding, delays to spending were not impacted by the same time constraints as the Local Government Fund (LGF). It was acknowledged that current levels of inflation could cause pressure for projects experiencing delays, although it was emphasised that such risks were restricted to projects themselves, rather than the Business Board.

It was resolved unanimously to:

Note the year to date financial position relating to the revenue and capital funding lines within the Business and Skills directorate for the 2022/23 financial year.

112. Strategic Funds Management Review – November 2022

The Business Board received an update on strategic funding programmes and their progress to 21st October 2022, including the Local Growth Fund (LGF) and Recycled LGF, the Getting Building Fund (GBF), the UK Community Renewal Fund (CRF), the

Levelling Up Fund (LUF), the UK Shared Prosperity Fund (UKSPF), and the Create Growth Programme. Data on programme delivery and monitoring was now being produced on a quarterly basis, to increase efficiency and due to more regular monitoring not being appropriate or necessary for many of the projects. Further to the updates in the report, members were informed that an Expression of Interest (EOI) had been submitted to UK Research and Innovation for a Launchpad that would provide £7.5m of innovation grants for allocation.

The report also detailed a Project Change Request that had been submitted for South Fenland Enterprise Park project. Due to concerns over the viability of delivery of the project's outcomes and outputs, and the substantially changed levels of forecast cost, it was proposed that the Project Change Request should be rejected.

The report included an appendix that was exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not have been in the public 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)). Members agreed that they would not need to move into confidential session to discuss the content of the exempt appendix.

While discussing the report, the Business Board:

- Confirmed that the joint application with other partners to the Create Growth Programme had been successful, and that the funding was not subject to forthcoming fiscal announcements by the government.
- Established that the Launchpad would be administered by the Combined Authority and the Business Board if the bid was successful. Members were informed that the EOI submitted by the Combined Authority focused on the material and manufacturing sector, while a further bid focusing on the agritech sector had been submitted by the New Anglia Local Enterprise Partnership, to which the Combined Authority had provided support as a partner.

It was resolved unanimously to:

- a) Recommend the Combined Authority Board declines the Project Change Request for the South Fens Enterprise Park project, and for funding to be clawed back in line with the existing grant agreement; and
- b) Note all programme updates outlined in this paper

113. Growth Works Programme - Management Update for Quarter 7 (July to September 2022)

The Business Board received an update report on programme performance for Quarter 7 of the Growth Works contract, covering the period from July 2022 to September 2022. It also presented the findings of a programme review on overall performance to date that had been undertaken by Gateley Economic Growth Service (GEG) and its private sector partners, and proposed changes to address performance concerns and to sustain successful delivery of the Growth Works Programme.

While discussing the report, the Business Board:

- Queried why there had been a lower uptake of apprenticeships than anticipated, and whether a similar issue had been evident across the country. Members were informed that although the lower uptake was reflected across Cambridgeshire and Peterborough, the area remained behind much of the country. It was acknowledged that the Combined Authority needed to improve how it promoted and supported apprenticeships, and members were assured that the offer was being developed to address such concerns. It was clarified that apprenticeship support provided by Growth Works to companies was advisory in nature, rather than financial.
- Suggested that the Growth Works Net Promoter Score (NPS) of 62% for the Quarter 7 survey was not satisfactory, although it was acknowledged that the NPS metric generally produced lower scores, and it was emphasised that the score was only 1% short of a world class, top rating.
- Paid tribute to the success of the Inward Investment team, noting its ability to attract companies in a way that would be difficult through the natural process, although it was emphasised that this should not be done in a way that exacerbated existing challenges for local recruitment. Members were assured that the original plan for inward investment had specifically acknowledged the importance of ensuring that existing businesses did not suffer as a result of attracting new companies. Members requested information on the companies that had received support from the Inward Investment team, including their names and geographical locations. **Action required**
- Clarified that growth would be measured using Growth Value Added (GVA) data. Members were also informed that analysis was being carried out on the first year's cohort of companies that had undertaken coaching, in order to compare results to original forecasts.
- Highlighted the exciting potential of the relaunched Equity Service to support innovative technology start-ups.
- Disagreed with the programme review's recommendation for a 10% reduction in the jobs created target, arguing that recruitment was currently a fundamental issue and more work should be done to resolve it rather than reducing targets. It was suggested that a failure to meet a target should be acknowledged and analysed, rather than the target changed. Members were informed that the proposal to reassign resources mean there would be a hiatus and an impact on the ability to achieve current targets, hence the proposed reduction of the target. Members noted that the programme review's recommendations had been considered by the Skills Committee on 7th November 2022, and recommended for approval to the Combined Authority Board, although it was confirmed that the Business Board's concerns would be conveyed to the Combined Authority Board at its meeting on 30th November 2022.
- Queried why Growth Works continued to offer growth coaching when feedback from the market indicated that most businesses currently did not identify it as a priority. It was suggested that the original hypothesis that the top one thousand growth

companies would require growth coaching had been over-ambitious, given that many such companies were of a size that they did not feel they required growth coaching, although members acknowledged that while there was less demand for coaching than had been anticipated due to the unexpected economic situation of the previous few years, there were still businesses taking up the offer. It was also suggested that pivoting the offer slightly could attract some larger companies.

- Observed that moving resources from coaching to inward investment and equity would change the geographical, sectoral and size profiles of companies receiving support, and could cause contractual issues. While it was acknowledged that the contract contained some key performance indicators related to geographical locations, it was clarified that such indicators did not necessarily represent targets to be achieved, although members were assured that Growth Works focused on ensuring all districts in the region received the necessary support for companies with high growth potential.
- Clarified that the programme review had been carried out by the prime contractor and Senior Responsible Officers within the Combined Authority, and suggested that an independent review could better identify which parts of the programme were working or not. Members considered it would be more effective to wait until the programme had concluded or to conduct an ongoing, independent review throughout its duration.
- Suggested that an alternative provider might be able to provide higher levels of success, although it was acknowledged that such a change would involve contractual penalties and loss of funds, and might not result in better performance. It was also emphasised that the current provider was generally on track across the programme as a whole.
- Expressed concern that the short-term success of the programme was being given priority over its long-term objectives. It was clarified that monitoring of the Growth Works programme's impacts and the companies that received support would continue after its conclusion, and highlighted that the success of some objectives, such as skills, could not be demonstrated in the short-term.

The following amendment was proposed by Vic Annells, seconded by Andy Neely and agreed unanimously (additions in bold):

- c) Endorse the proposed recommendations **1, 2, 3, 5 and 6** from the programme review, as set out in section 5 of this report; **and**
- d) **Not endorse the proposed recommendation 4 from the programme review, as set out in section 5 of this report.**

It was resolved unanimously to:

- a) Note the Growth Works Programme performance data for Q7 (01 July to 30 September 2022);
- b) Note the outcomes and findings of the recent Programme Review;

- c) Endorse the proposed recommendations 1, 2, 3, 5 and 6 from the programme review, as set out in section 5 of this report; and
- d) Not endorse the proposed recommendation 4 from the programme review, as set out in section 5 of this report.

114. Employment and Skills Strategy Implementation Plan

The Business Board received a report outlining the implementation plan for the Employment and Skills Strategy, which would also be taken into consideration as the implementation plan for the Economic Growth Strategy was developed in Autumn 2022. The proposed governance structure of the implementation plan was included in the wider governance review being undertaken by the Combined Authority, and was yet to be finalised, as was the investment framework.

It was resolved unanimously to:

Endorse the Employment and Skills Strategy implementation plan.

115. Local Skills Improvement Plan

The Business Board received a report on changes to the post-16 technical education and training governance, which had resulted following the introduction of Local Skills Improvement Plans (LSIPs) in the Skills and Post-16 Education Act 2022. The Cambridgeshire Chamber of Commerce would lead on the Cambridgeshire and Peterborough LSIP as the designated Employer Representative Body (ERB).

While discussing the report, the Business Board welcomed the designation of the Chamber of Commerce as the ERB, noting that it would further embed the voice of employers in the local skills landscape.

It was resolved unanimously to:

Note the ongoing development of a Local Skills Improvement Plan for Cambridgeshire and Peterborough.

116. University of Peterborough – Delivery Update and Future Combined Authority Role

The Business Board received an update report on the University of Peterborough following its opening in September 2022. A review of the project's business case, objectives, and quantitative metrics and measures would be carried out in order to establish how to best monitor the university's success moving forwards. The proposed role of the Combined Authority in the further evolution and development of the university was also set out in section 3 of the report.

The report included an appendix that was exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not have

been in the public 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)). The Chair indicated that the meeting would move into confidential session to discuss the content of the exempt appendix, although it would consider the report itself before doing so. It was also noted that Rob Emery, the Business Board Section 73 Officer, would leave the meeting when it went into confidential session, due to his role as a director of PropCo2.

While discussing the public report, the Business Board expressed concern that despite an objective for 2000 students to commence in 2022, only approximately 1000 students had begun courses in September, and sought clarification on whether the lower enrolment level would impact the university's revenue or ability to operate. Members were assured that there was not a revenue operational impact, as Anglia Ruskin University (ARU) had confirmed its commitment to support Peterborough ARU. It was also noted that an additional intake of students would take place in January 2023, although it was acknowledged that the objective of a total of 2000 students for the first year was unlikely to be achieved. The review would analyse comparative data for the first year intake of other new universities.

It was resolved unanimously to:

- a) Note the progress of the development of the University of Peterborough, the opening and operation of the phase 1 building to students by ARU Peterborough and its initial and potential performance against the original business plan objectives; and
- b) Note the future role of the Combined Authority in the next few months in the further evolution and development of the University through the following:
 - (i) Preparation and submission for approval of the Phase 3 full business case including a review of the University's original quantitative objectives set at the Phase 1 full business case, with further recommendations about how to reset these for effective monitoring of the new University;
 - (ii) Update and preparation of the University Programme Business Case including partners strategy for delivery;
 - (iii) Supporting and managing the preparation and submission of an outline planning application for a scheme to articulate the vision to potentially expand the University campus beyond the phase 3; and
 - (iv) To review the business plan and approach to lettings for the phase 2 building to achieve the best outcome.

117. Business Board Headlines for Combined Authority Board

While noting the headlines that the Chair would convey to the Combined Authority Board at its meeting on 30th November 2022, the Business Board was informed that the Full Business Case for the Growth Works Equity Fund would be circulated outside the

meeting, to seek members' comments and endorsement prior to its consideration by the Combined Authority Board. **Action required**

118. Business Board Forward Plan

Confirming that the next meeting was scheduled to be held on 9th January 2023, the Business Board noted the Forward Plan.

Chair
9th January 2023