



THE BUSINESS BOARD

Business Board: Minutes

(Draft minutes published on 23rd May 2022)

Date: 9th May 2022

Time: 2:30pm – 3:35pm

Present: Austen Adams (Chair), Andy Neely (Vice-Chair), Vic Annells, Councillor Wayne Fitzgerald, Mike Herd, Faye Holland, Mayor Dr Nik Johnson, Aamir Khalid, Al Kingsley, Nitin Patel, Rebecca Stephens and Andy Williams

74. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Tina Barsby, Belinda Clarke and Jason Mellad.

Austen Adams declared a non-statutory disclosable interest in relation to 'Recycled Local Growth Fund Project Proposals' (agenda item 2.2), as an employee of Metalcraft, and he confirmed that he would leave the meeting for the duration of the item.

Andy Neely declared a non-statutory disclosable interest in relation to 'Recycled Local Growth Fund Project Proposals' (agenda item 2.2), as a director of Cambridge&, and he confirmed that he would leave the meeting for the duration of the item.

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

75. Minutes – 14th March 2022

The minutes of the meeting held on 14th March 2022 were approved as a correct record.

Acknowledging that an updated version of the Minutes Action Log had been published alongside the agenda on the Combined Authority's website prior to the meeting, the Business Board noted the Minutes Action Log.

76. Strategic Funds Management Review – May 2022

The Business Board received an update on strategic funding programmes and their progress to 1st April 2022, including the Local Growth Fund, Recycled LGF, the Community Renewal Fund (CRF), the Levelling Up Fund (LUF) and the Shared Prosperity Fund (SPF).

While discussing the updates provided in the report, the Business Board:

- Expressed concern that the Combined Authority had received less than £14m from the SPF, compared to a national average of £69m and sought clarification on the reasons for this and whether it would be the same for future rounds of funding. Noting that the formula used by the Government for allocating funds was largely based on the old EU funding allocations, the Senior Responsible Officer for LGF clarified that the 2% allocation received by the Combined Authority was in line with previous allocations, and was not a result of a competitive process. However, he suggested that if the Combined Authority could demonstrate more effective delivery than other recipients, it might be able to obtain a higher allocation in future rounds.
- Observed discrepancies on the key performance indicators in Appendix 1 of the report, with some actual figures much higher than forecast figures, including a project with 0 job creation forecast then rocketing to over 600 jobs created, and others much lower, and queried whether the figures were accurate and robust. Clarifying that not all of the indicators represented specific targets and were merely part of a wide set of data that was captured from the projects, the Senior Responsible Officer observed that the first £80m of LGF was primarily allocated by the previous Local Enterprise Partnership (LEP) to long-term transport projects, whereas the Business Board had allocated later funding to more business-orientated, job creation and skills projects with more immediate benefits. He also observed that some projects with high apprenticeship objectives had been lost, and the reawarded projects would take some time to deliver, although he anticipated that the incline and growth of outputs would continue for a number of years.
- Suggested that it would be beneficial to provide a greater focus on the positives of how the projects were delivering currently, rather than how they were expected to deliver in the future.
- Queried how job creation was verified when gathering data. Noting that gathering data was more difficult for infrastructure projects due to their long-term nature and the fact that many of them were designed for wider economic development and to unlock specific problems, the Senior Responsible Officer informed members that external evaluators were used to capture their various benefits and outputs. The Combined Authority was in contact with most of the projects throughout their delivery on a monthly basis in order to establish data.
- Acknowledged the benefit of being transparent and including data on projects where the monitoring had finished a number of years ago, but suggested that it would be helpful to separate and give more prominence to the current, live projects. It was also suggested that the data could differentiate between projects that were awarded by funding by the LEP and the Business Board. The Senior Responsible Officer undertook to consider how the suggestions could be reflected in the data provided in future reports. **Action required**

It was resolved unanimously to:

Note all programme updates outlined in the report.

77. Recycled Local Growth Fund Project Proposals

Following their declarations of interest in the agenda item, the Chair and Vice-Chair left the meeting, and it was agreed that Aamir Khalid would chair in their absence. The Business Board received a report setting out the process and decision options for funding projects through the Recycled LGF first category call, which included two options for consideration. The first option was to approve funding for the projects ranked 1 and 2 in the scoring process, and to also approve reduced funding for the project ranked 3. The second option was to approve funding for projects ranked 1, 2 and 3 in the scoring process, at a reduced rate of £400k each. Final approval of the projects would be subject to the agreement of the Combined Authority Board at its meeting on 8th June 2022.

While discussing the options set out in the report, the Business Board:

- Sought clarification on whether the projects had been consulted on the viability of delivery with reduced funding levels. The Strategic Funds Programme Lead informed members that all three projects had confirmed that they would be able to deliver with a reduction to £400k, albeit with slightly reduced outputs, although she noted that the project ranked 3 had suggested a more significant reduction would make the project unviable. Members expressed concern about not being presented with more information on how the projects would be affected, and it was confirmed that all three projects had indicated a 10% reduction in jobs created and apprenticeship outputs with a reduction to £400k, which still met the requirements that had initially been established by the Business Board.
- Expressed concern about reducing funding for the top two ranked projects and jeopardising their full potential at the expense of ensuring the third ranked project could continue, and it was suggested that the third ranked project might be able to continue in some form with an additionally reduced level of funding. However, it was also argued that, as the projects were already established and were looking for incremental funding, it would be more effective to provide reduced support to all three projects, given that they had confirmed they would continue to be viable.
- Observed a significantly larger variance between the internal and external scoring of the projects on the projects ranked 2 and 4. The Strategic Funds Programme Lead informed members that the internal evaluation ranked direct and indirect jobs equally, while the external evaluation placed a higher value on direct jobs, and the external valuation also applied greater weighting to subsidy control.
- Expressed concern that only six applications had been received for the funding. Noting that the call had been publicised widely, the Strategic Funds Programme Lead emphasised that it was nonetheless a limited call for existing LGF projects or high value for money projects, which would have prevented many potential applicants for applying. Highlighting the high levels of oversubscription for previous funding opportunities, she also drew attention to the need to manage expectations given the limited amount of funding that was available. She confirmed that the Category 2 round of funding involved a larger pool of funding and was therefore expected to attract a higher number of applications due to less restrictive requirements.

It was resolved unanimously to:

- a) Recommend that the Combined Authority Board approves a revised grant funding offer for the projects ranked 1, 2 and 3 in the table at paragraph 2.9 of the report; and
- b) Recommend that the Combined Authority declines projects ranked 4 and below, based on the funding not being available for all remaining projects.

78. Economic Growth Strategy for Cambridgeshire and Peterborough

The Business Board received a report which presented the new Economic Growth Strategy for Cambridgeshire and Peterborough. Noting the wide range of stakeholders that had participated in the development of the strategy, the Deputy Chief Officer for the Business Board highlighted the six core priorities that had been identified for economic growth, which were to reduce inequalities and improve quality of life, to accelerate local placemaking and renewal, to ensure transition to a green, low-carbon economy, to accelerate business growth, to create good quality jobs in high performing businesses, and to support people to develop quality skills in a world-class skills system.

While discussing the Economic Growth Strategy, the Business Board:

- Welcomed the extensive collaboration that had taken place throughout the development of the strategy and the opportunities that this had provided to share and consider new ideas.
- Highlighted that the strategy could be used to demonstrate to the Government the work and successes of the Business Board and Combined Authority in achieving economic growth while doubling gross value added (GVA), and suggested that this achievement should be afforded greater prominence in the strategy.
- Expressed concern about future funding sources and queried whether there was a strategy for obtaining the necessary funding for the projects that had been identified in the strategy. Noting that the nature of the forum where economic growth matters would be discussed was still being considered, the Deputy Chief Officer of the Business Board informed members that Metro Dynamics was providing support to develop cases, while procurement was also underway for additional resources and support. He also confirmed that funding opportunities were being investigated from alternative sources than the Department for Business, Energy and Industrial Strategy.
- Suggested that it would be beneficial for the Business Board to work alongside the Combined Authority Board on the development of business cases and interventions.

It was resolved unanimously to:

- a) Endorse the Economic Growth Strategy for Cambridgeshire and Peterborough; and
- b) Recommend approval of the Economic Growth Strategy to the Combined Authority Board.

79. Skills Bootcamps Evaluation

The Business Board received a report on the delivery of Wave Two Skills Bootcamps. Due to a delay in the award of the contract, which was only awarded to two of the nine delivery partners in the consortium, the programme had experienced significant challenges, with an additional provider identified only in January 2022. Emphasising that lessons had been learnt from this initial contract, the Interim Associate Director for Skills informed members that the Department for Education (DfE) had awarded a further £4,891,985 to deliver Wave Three Skills Bootcamps via a grant, which would provide greater flexibility on delivery. It was confirmed that procurement was underway, and that the contract would be just for the Cambridgeshire and Peterborough area, rather than the wider East of England, as was the case for Wave Two.

While discussing the report, the Business Board:

- Acknowledged the challenges that had been faced and that lessons had been learnt for future procurement exercises, but paid tribute to the success of 564 learners having participated in the Wave Two bootcamps.
- Welcomed the additional funding that had been approved by the DfE, as well as the fact that the Wave Three bootcamps would be focused on the Cambridgeshire and Peterborough area.
- Queried whether the Business Board could influence the subject areas for the bootcamps in order to align them with the various strategies adopted by the Combined Authority which identified specific skill gaps. Noting that the subject areas were constrained to those that had been included in the proposal submitted to the DfE, the Interim Associate Director for Skills informed Members that the proposal had been focused on the Combined Authority's priority growth sectors, and was therefore aligned to such strategies.

It was resolved unanimously to:

Note the report on the performance of Skills Bootcamps.

80. Nomination of Business Board Representatives for the Combined Authority Board

The Chair informed the Business Board that consideration of agenda item 3.3 (Nomination of Business Board Representatives for the Combined Authority Board), had been deferred to a future meeting, in order to first consider feedback from the independent evaluation of the Business Board.

81. Business Board Expenses and Allowances 2021-22

The Business Board received a report on the remuneration and expenses paid to private sector members of the Business Board for the period 1st April 2021 to 31st March 2022, as required by the Business Board Expenses and Allowances Scheme.

It was resolved unanimously to:

Note the summary of remuneration and expenses paid to members during 2021-22 under the Business Board Expenses and Allowances Scheme.

82. Business Board Headlines for Combined Authority Board

The Business Board noted the headlines that the Chair would convey at the Combined Authority Board meeting on 8th June 2022.

83. Business Board Forward Plan

Confirming that the next meeting was scheduled to be held on 11th July 2022, the Business Board noted the Forward Plan.

Chair
11th July 2022