



THE BUSINESS BOARD

Business Board: Minutes

(Draft minutes published on 22nd November 2021)

Date: 8th November 2021

Time: 2:30pm – 4:00pm

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

45. Apologies for Absence and Declarations of Interest

There were no apologies for absence.

There were no declarations of interest.

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

46. Minutes – 14th September 2021

The minutes of the meeting held on 14th September 2021 were approved as a correct record and signed by the Chair.

The Business Board noted the Minutes Action Log.

47. Public Questions

The Chair confirmed that no public questions had been received.

48. 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. Attention was drawn to the new energy revenue expenditure budgets table at paragraph 3.6 of the report, and members were advised that the figures in the table would change significantly over the coming months, mainly due to changes to the public sector decarbonisation budget, which would be reprofiled in 2022. Some of the Market Town projects could also be reprofiled following the Combined Authority Board meeting on 26th January 2022, due to delays caused by impacts of

Covid-19, as well as the fact that some local authorities had not been able to spend the funds as quickly as had been anticipated. The Business Board was informed that although confirmation had been received that funding would be received back from the Wisbech Access Strategy, OneCam and iMET projects, it had not been included in the figures within the report, as the funding had not yet been received.

While discussing the report, the Business Board:

- Expressed concern about the significant shortfall indicated in table 7 of the report for the Green Home Grant Capital Programme. Noting that similar concerns had also been raised by the other five energy hubs in the country, the Finance Manager informed members that it was anticipated that the Department for Business, Energy and Industrial Strategy would extend the current deadline of 31st March 2022. It was explained that previous extensions granted by BEIS to earlier stages of the programme had led to subsequent supply chain issues and that, while the government was working to retrofit houses with green technology, the supply chain was currently unable to deal with the demand. The Director of Business and Skills informed members that proposals would be made in January 2022 for the Business Board's terms of reference to be amended to enable the Business Board to advise the Combined Authority Board on this particular activity, as well as the Market Towns programme.
- Suggested that the quicker development and commissioning of the Ely Market Town project than other Market Town schemes should be analysed in order to identify whether lessons could be learnt that would benefit the other schemes. It was observed that the Ely scheme took a different approach due to starting later than other schemes, and it was confirmed that the projects were being reviewed in order to improve processes if the programme was continued.
- Queried whether the Market Town studies were being commissioned independently from one another or whether they could be integrated together. The Business Programmes and Business Board Manager confirmed that it had been considered early in the project whether there were opportunities for the local authorities to work together to make savings, but the various authorities had been at different stages of their delivery and timelines for it to be effective. The Director of Business and Skills noted that although a group procurement exercise had not been carried out, they had been coordinated and Metro Dynamics had been contracted by a few of the schemes, which had in turn led to some savings.
- Sought clarification on the timeline for the repatriation of funds from the Wisbech Access Strategy, OneCam and iMET projects. The Finance Manager confirmed that a figure for the repatriation of funds from Cambridgeshire County Council for Wisbech Access Strategy had been confirmed, although it was not possible to confirm when the funds would be available. Funds would be returned from the OneCam project once the company had been put into dormancy.
- Established that the Enterprise Zones would receive continued funding as a 25-year project, although the Business Programmes and Business Board Manager clarified that the business rates relief offered to Enterprise Zone business to locate onto the sites had terminated nationally at the end of March 2021. He informed members that it was being investigated with landowners and developers to see whether alternative

incentives or support could be put in place. A future report to the Business Board would provide an update on this, as well as an overall review of the Enterprise Zones and their impact.

- Confirmed that equity investment data would be included in the January iteration of the budget and performance report.

It was resolved unanimously to:

Note the outturn financial position relating to the revenue and capital funding lines within the Business & Skills Directorate for the 20/21 financial year.

49. Strategic Funds Management Review – November 2021

The Business Board received the November iteration of the Strategic Funds Management Review, which included an update on strategic funding programmes and their progress to 1st October 2021, a project change request for the University of Peterborough Phase 2 Car Park Infrastructure Project, and a proposed strategy for the investing Business Board recycled funds. Noting that a £2m award had previously been approved by the Business Board to the University of Peterborough Phase 3 project, subject to securing a funding package the Levelling Up Fund (LUF), the Senior Responsible Officer (SRO) for LGF and Market Insight and Evaluation informed members that the funding package had been secured since the report had been published. Attention was drawn to the project change request for the University of Peterborough Phase 2 Car Park Infrastructure project, which proposed a reduction in the match funding to be provided by Peterborough City Council from £1.9m to a maximum of £500k, as set out in section 5.2 of the report.

Following publication of the report, the government had announced that two of the seven bids submitted by the Combined Authority to the Community Renewal Fund (CRF) had been successful, with 'Start and Grow', a support programme for entrepreneurs, and 'Turning Point', a skills and employment transition project, being the successful applications. It was noted that the projects put forward by the Combined Authority had been awarded £3.4m, which represented 2.7% of the total fund nationally, with 'Start and Grow' being the largest successful bid of the 477 that had been awarded. The project delivery date was 30th June 2022, with a first tranche of funding being provided to the Combined Authority at the end of December 2021 and a second tranche in July 2022, upon completion. The Combined Authority would therefore cashflow the projects and retrospectively claim back the funds, including a 2% fee for the management, monitoring and contracting of the projects. The Business Board was also informed that it had been confirmed that the £20m bid to the Levelling Up Fund (LUF) for the University of Peterborough Phase 3 project had been successful

The Business Board was asked to consider options for where to target and allocate its recycled funding, with three options set out in section 7.1 of the report. It was proposed that 85% of the funds be allocated to Option B and 15% of the funds to Option C. Members were informed of a minor alteration to the recommendation (b) that was published in the report, with the word "Officers" being replaced by "the Monitoring Officer".

While discussing the report, the Business Board:

- Welcomed the approval for CRF funding for the 'Start and Grow' and 'Turning Point', but expressed concern about the long-term strategy of the projects, given the delivery date of June 2022, and sought clarification on what would happen to the projects after the funding had been concluded. Acknowledging that the delay in announcements by the government had hindered the process, the Director of Business and Skills informed members that the CRF was intended as a pilot programme, with successful projects potentially suitable candidates for receiving further support from the forthcoming UK Shared Prosperity Fund (UK SPF).
- Established that the bids had been submitted in consultation and cooperation with Gateley. The SRO agreed to circulate the bids to Business Board members. **Action required**
- Expressed concern that the reduction in size and scope of the University of Peterborough car park would result in an increased cost per parking space of the smaller development, and considered whether it would be cheaper in the long-term to construct a larger car park now, rather than redevelop a smaller car park. Acknowledging the higher cost per parking space and the fact that the change could be more costly in the long-term, the SRO emphasised that it was based on the level of funding that was currently available, and the requirement to have a car park ready for Phase 2 of the project. Although fewer spaces were required for Phase 2, the Director of Business and Skills observed that this requirement would increase significantly in later phases of the project, and the previously planned number of spaces for Phase 2 would not have been sufficient either. It was confirmed that an extension would be able to be constructed on the site of the current car park.
- Suggested that when deciding whether to fund projects in the future, the Business Board should consider how they align with its overall strategy, particularly with regard to sustainability.
- Expressed concern about the wording of Option B for the allocation of recycled funds, noting that the UK SPF and LUF were targeted at particular parts of the region, which would constrain access for the rest of the region. The SRO clarified that the proposal included three strategies, including the Business and Skills Strategy, in order to provide additional leverage and increase the chances of obtaining funding from the UK SPF and LUF.
- Queried why Option C included a maximum of £400k for bids. The SRO informed members that if there was £1m available for funding, it would be preferable to support more than one project, while noting that bids tended to be around that level before increasing substantially. He also noted that within the current process, bids for £500k and above were required to go through the Entrepreneurs Panel, and that a lower limit would therefore avoid that additional stage in the application process.
- Confirmed that if a bid for over £400k was received, which was considered to be a particularly good bid, it could still potentially be considered.
- Expressed concern about not receiving sufficiently ambitious and largescale project bids to provide leverage through Option B and asked officers to work with local

authorities to encourage them to be ambitious in developing bids. Acknowledging the concern, the Director of Business and Skills highlighted the ambitiousness of projects by observing that the full £20m that was available through the LUF had been obtained, with only 5 bids requesting the full amount. He also noted that one of the CRF bids that had been successful was the largest one in the country, while the unsuccessful bids had been smaller projects.

It was resolved unanimously to:

- (a) Recommend that the Combined Authority approves the project change request for the University of Peterborough phase 2 Car Park infrastructure project;
- (b) Recommend the Combined Authority Board approves the proposed strategy for investing Business Board recycled funds, and for the Monitoring Officer to make any relevant changes to the Local Assurance Framework; and
- (c) Note all programme updates outlined in this paper.

50. Agri-Tech Sector Strategy – Action Plan

The Business Board received a report presenting the Agri-Tech Sector Strategy and Action Plan, which had been prepared by Agri-TechE, prior to its consideration by the Combined Authority Board. In preparing the strategy, Agri-TechE highlighted that the Cambridgeshire and Peterborough area was internationally renowned for its position in the agri-tech sector, and that it was therefore important to establish how to move forwards from the status quo. Five key recommendations had been made along with the identification of fourteen possible interventions, and these were set out in section 4 of the Agri-Tech Action Plan. They included providing an enabling environment for supporting agritech start-up and scale up, with specific support for farmers, derisking the cost of using and developing new technology, skills development and accelerating the journey to achieving net zero. It was also emphasised that the strategy would benefit from closer alignment to the Combined Authority's other sector strategies, rather than being considered in isolation.

While discussing the report, the Business Board:

- Paid tribute to the success of the Eastern Agri-Tech Growth Initiative Programme for providing otherwise unavailable funding that enabled farmers and derisked some of the technology applications, while helping research projects to progress.
- Suggested that successful interventions by the Combined Authority in other sectors, such as accelerators in the life sciences sector, could be replicated in the agri-tech sector.
- Welcomed how the strategy had been developed since it had last been discussed by the Business Board.
- Sought clarification on the financial implications and the level of certainty that the Business Board would receive the funding necessary to respond to proposals. The Director of Business and Skills observed that it was an example of how recycled

LGF funds would be allocated, with all project proposals being considered together for LGF funding or an alternative funding mechanism. An implementation plan would be presented in March 2022 as part of the Business and Skills Plan, following which an assessment of each project would be carried out in order to establish which ones would receive support.

- Suggested that it would be beneficial to approach different government departments with the proposals, such as the Department for Environment, Food and Rural Affairs (DEFRA) on the issue of peat in Fenland. It was noted that communication was already ongoing with DEFRA, particularly regarding the peat situation.
- Argued that requiring both the technology and pilot areas for proposals to be based within the Cambridgeshire and Peterborough area would restrict opportunities for investments, with the suggestion that it would be preferable to establish the region as an attractive place to carry out pilots with technology that has been developed elsewhere, thus bringing innovation to the region and subsequently inward investment in the long-term. The Director of Business and Skills acknowledged the suggestion and noted that the Illumina Accelerator had attracted companies from all over the world to come into Cambridgeshire and receive seed capital funding. The Agri-Tech Lead also observed that the Eastern Agri-Tech Growth Initiative had received successful applications from outside the region for projects taking place inside the region.

It was resolved unanimously to:

- (a) Approve the Agri-Tech Sector Strategy and Action Plan; and
- (b) Recommend that the Combined Authority Board approves adoption of the Agri-Tech Sector Strategy/Action Plan.

51. Business Board Annual Report 2020-2021

The Business Board received the Annual Report for the period 2020-2021, which illustrated the Business Board's achievements over the past year, demonstrated its successes and looked ahead to future interventions. To further showcase the Business Board's work, a microsite was being developed on the Combined Authority's website for clients and customers to easily navigate, thus improving levels of accessibility and governance. A budget of £15k had initially been approved for the design work of the Annual Report and to develop a digital dashboard, although a further £15k would be required due to the greater scope of the microsite. A virement of £15k from the forecast underspend on the ongoing Business Board Effectiveness Review into the Business Board Annual Report budget was therefore proposed.

While discussing the report, the Business Board:

- Confirmed that hard copies of the Annual Report had been circulated to Business Board members, as well as other interested people within the Combined Authority, and that it would be published on the website following its presentation to the Combined Authority Board.

- Sought clarification on what readership the Annual Report was targeted towards. The Director of Business and Skills identified three main target groups, with the main one being the stakeholders that provided the Business Board with financial resources, for whom it would reinforce the Business Board’s achievements and credibility when accompanying funding applications or bids. A second target group was local stakeholders, including local authorities, businesses and business representative organisations, while a third group was the wider public.
- Acknowledged the need for further funding for the microsite but expressed concern about the budget doubling in size, and suggested that the additional £15k could instead be spent on publicity. The Business Programmes and Business Board Manager assured members that the procurement process had been carried out correctly, and agreed to arrange a meeting between some Business Board members and the Business & Marketing Engagement Officer to further discuss the matter. **Action required**
- Noted the microsite would be more attractive and useful to many people than a written report, as it could be continuously updated to reflect the current situation.
- Proposed that the microsite could integrate the various dashboards currently being produced, including one for Growth Works, one for Business Insight and one for Local Growth Fund (LGF) projects.

It was resolved unanimously to:

- (a) Note the Business Board Annual Report 2020-2021; and
- (b) Note the need for further funding beyond the current allocation for the Annual Report to develop the Business Board microsite, and the intention to request a virement from the forecast underspend on the Business Board Effectiveness Review to meet this need.

52. 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 24th November 2021, with particular emphasis to be given on encouraging large and ambitious applications for funding.

53. Business Board Forward Plan

Noting that the next meeting would be held on 10th January 2022, the Business Board noted the Forward Plan.

Chair
10th January 2022