



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY **BUSINESS BOARD: MINUTES**

Date: Monday, 26th November 2018

Time: 2.35 – 4.00pm

Location: East Cambridgeshire District Council offices, Ely

Present: Austen Adams, Douglas Cuff, William Haire, Aamir Khalid (Chair), James Palmer (Mayor) and Councillor Charles Roberts

11. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies had been received from Mark Dorsett, Tina Barsby and Professor Andy Neely.

Members were reminded that all decisions, when made by the Combined Authority, were conditional pending confirmation from government that local growth funds had been released for allocation by the Business Board.

The Chairman declared a disclosable interest under the Code of Conduct relating to Minute 22, Business Board Private Sector Board Members – Expenses and Allowances Scheme, as the Chairman of the Business Board.

12. MINUTES OF THE MEETINGS HELD ON 24TH SEPTEMBER 2018

The minutes of the two Business Board meetings held on 24th September 2018, as amended below, were agreed as a correct record.

Item 2/recommendation (c) corrected as follows “appoint Aamir Khalid as Chair and Andy Neely as Vice Chair of the Business Board for a period of two years until September 2020.”

Item 6/fifth paragraph stated “*Professor Neely declared a non-pecuniary interest as he was an acquaintance of one of the commissioners involved in the Review*”. This should read “*Professor Neely declared a non-pecuniary interest as one of the commissioners involved in the Review*”.

13. FORWARD PLAN

It was resolved to note the Forward Plan.

14. GROWTH PROGRAMME UPDATE

The Business Board considered an update on the Programme position for the Growth Deal, as at 31st October 2018. The Programme was currently on track and spending according to target.

Members noted that the Lancaster Way Phase 2 project, which involved the expansion of the current Business Park, was moving from feasibility to delivery stage.

A member asked if it was possible to have a breakdown of how much was spent on transport, and how much was spent on other categories. Officers agreed to provide this information for Cambridgeshire & Peterborough, but advised that providing the information for other Local Enterprise Partnerships would be more difficult, as LEPs recorded the information in different ways. **Action required.**

It was resolved to:

- a. note the accumulative and in-year programme position to 31 October 2018 for Growth Deal and Growing Places Fund;
- b. note and agree the submission of the Growth Deal monitoring report to Government to end Q2 2018/19;
- c. approve an extension to the funding period for the Lancaster Way Phase 2 (grant).

15. GROWTH FUND PROJECTS

The Business Board received a report on the proposed process for allocating growth Deal and Growing Places funding.

Members noted that 28 applications had been received – five for small grants, and 23 Expressions of Interest. The first new project proposals were currently undergoing the initial appraisal stage, and would be brought to the Business Board for consideration in January 2019. It was noted that the small grants scheme was aimed at SMEs with balance sheets of less than fifty million Euros, and was similar to a European grant scheme that had recently closed. Five applications had been received, one had been withdrawn, and officers had analysed and appraised the four remaining applications. Two were recommended by officers for approval, and the background and reasons for the proposed allocation of grants of £4,941 and £14,546 were outlined. Further information on those applications was provided in a confidential appendix.

In response to a Member question, it was confirmed that the total budget for small grants was £200,000, and technically it could be available until March 2021. Due to the protracted process of approving small business grants and the unnecessary delay that would be imposed upon small businesses, there was a recommendation to enable the Director of Business and Skills, in consultation with the Section 151 Officer, to review and approve small grants between £2,000 and £20,000, with all approvals being reported back to the Business Board. Those approvals would need to meet formal

evaluation criteria and meet strict assessment guidelines, as set out in the appendices to the report. As part of that process, external due diligence was also required to appraise Expressions of Interest as they were submitted, specifically analysing the applications against Value for Money criteria. Therefore, the Business Board was also being asked to approve the appointment of external examiners: the proposal was to appoint a body immediately on a temporary basis, pending a full procurement process. In response to a member question, it was confirmed that Business Board members would have access to the small grant applications.

There was considerable discussion about the process, the current size of the small grant budget (£200,000) and, given the necessary bureaucracy, whether it was worth instigating a new process when there was only likely to be a small number of grants. It was noted that there may be considerably more funding available for small grants for SMEs in future once the Local Industrial Strategy process was complete, so it was worth having the process in place.

Officers stressed that the speed of letting applicants know whether they had been successful was vital to the process. It was also noted that the funding was only actually allocated when there was evidence that the payment had been made e.g. evidence that equipment had been purchased.

It was resolved to:

- a. note that 28 applications are undergoing initial internal appraisal before selection to undertake full business case and subsequent external appraisal;
- b. recommend the Combined Authority accept and approve recommendations from officers of small grant awards to SMEs totalling £19,490;
- c. recommend the Combined Authority agree delegated authority to approve small grants to SMEs between £2,000 and £20,000 to Director of Business & Skills subject to Section 151 Officer approval, and regular reporting to the Business Board;
- d. recommend the Combined Authority give approval to procure and appoint independent project appraisers of business cases over £20,000.

16. EASTERN AGRI-TECH GROWTH INITIATIVE

Members considered a report on the Eastern Agri-Tech Growth Initiative, which had transferred over from the previous Local Enterprise Partnership arrangements. The report sought Business Board support in recommending to the Combined Authority Board that the Initiative should continue until March 2021.

The Agri-Tech sector was one of the four key priorities for the Combined Authority and Business Board. The Initiative had been running since January 2014, with the particular aim of encouraging the growth of SMEs in the sector, bringing together leading agriculture, research science and technology assets in the East of England.

Since its inception, 92 applications from SMEs had been supported, and the Agri-Tech Innovation Hub at Soham had also been created.

The Initiative had received very positive feedback for the business community because of its speed, efficiency, lack of bureaucracy and advice/guidance provided. It had also had positive media coverage across a variety of channels. A considerable number of applicants had come forward through word of mouth, which was testament to how the scheme was supporting businesses generally. Support for this type of pioneering research and development was quite high risk and tended not to attract support from mainstream lenders. The types of projects supported by the Agri-Tech programme were noted, as was the contribution from the New Anglia LEP (NALEP).

The Chairman advised that he had received supportive comments from both Tina Barsby and Andy Neely for the Initiative, and the Board indicated its support for William Haire to be Chair of the Eastern Agri-Tech Programme Board.

Subject to Department for Business, Energy and Industrial Strategy (BEIS) Ministerial approval to release further Growth Deal funding, the Business Board (BB) resolved to make the following recommendations to the Combined Authority (CA) Board:

- a. agree that the Eastern Agri-Tech Growth Initiative should continue across the existing geographical areas of both the BB and New Anglia Local Enterprise Partnership (NALEP);
- b. agree a funding allocation of £4m from new Growth Deal funding;
- c. agree the Terms of Reference for the Eastern Agri-Tech Programme Board;
- d. delegate authority to the Eastern Agri-Tech Programme Board to make decisions about applications for grant funding on behalf of both the CA/BB and NALEP;
- e. agree that the Eastern Agri-Tech Programme Board should become a Sub Board of the BB;
- f. agree that William Haire should become Chair of the Eastern Agri-Tech Programme Board.

17. WISBECH ACCESS STRATEGY

The Business Board received a report which sought support for a package of highway interventions in Wisbech, following a public consultation. Permission was sought for the full release of the previously allocated £10.5M Growth Deal investment to enable the delivery phase of the programme.

One of the changes made, following the public consultation, was to avoid severing the existing rail line, whilst the Wisbech to March GRIP3 study established whether a town centre or Parkway station (south of the town) was most viable.

Members' attention was drawn to the technical note generated by the suppliers of the current strategy. It was noted that the criteria for the Growth Deal required the scheme to be delivered by March 2021. The complexities of programming these interventions, and having the most efficient sequencing for delivery, were explained. Given the March 2021 deadline, it was vital that the delivery team and supplier were kept on tight timescales.

It was confirmed that the pre-allocation had been made previously, subject to the business case being presented. It was noted that the Business Board would receive regular updates on this programme. Any potential operational delays would be considered by the Combined Authority's Transport Committee and would be reported to the Business Board too if there were more significant delays.

It was resolved to:

- a. note the proposed package of measures for further development (Table 2 Recommended Wisbech Access Strategy Package);
- b. recommend the Combined Authority Board approve a budget of £10,500,000 to enable the procurement of an appropriate design and build contractor to immediately commence the delivery of an overlapped phased design and construction programme;
- c. recommend the Combined Authority Board delegate authority to the Transport Director, in consultation with the Chair of the Transport Committee, at key gateway stages to deliver this package of works on behalf of the Business Board;
- d. recommend to the Combined Authority Board to, subject to BEIS Ministerial approval of the release of future Growth Deal funds, release of the £10.5m Growth Deal funding for the delivery of this vital scheme for the housing and economic growth of Wisbech.

18. M11 JUNCTION 8 IMPROVEMENT PROJECT

Members considered a report detailing the M11 Junction 8 improvement project that was being led by Essex County Council (ECC), recommending the release of £1M Growth Funding towards the project.

Junction 8 of the M11 was located adjacent to Stansted Airport, and is therefore significant economically for the wider area. Increasing the capacity and efficiency of this junction would alleviate congestion. Support totalling £1M from the Growth Deal had previously been identified by the Cambridgeshire and Peterborough LEP, as a contribution to a larger £9M scheme. It was anticipated that the scheme would be delivered by May 2021. The project had been independently reviewed and it had been assessed as representing good value for money.

It was resolved to:

- a. note the independently reviewed business case commending the scheme as representing value for money and the anticipated economic benefits as a result of the project;
- b. recommend the Combined Authority Board release the £1m Growth Deal funding to Essex County Council, to support the delivery of the range of improvements outlined within this paper for the M11 Junction 8.

19. THE GREATER SOUTH EAST ENERGY HUB – RURAL COMMUNITY ENERGY FUND

The Business Board received a report on the Greater South East Energy Hub. The Cambridgeshire and Peterborough Combined Authority was the Accountable Body for the regional Energy Hub, which covered fifteen counties and London.

Members had agreed to transfer the Rural Community Energy Fund (RCEF) from DEFRA to BEIS so that the five Local Energy Hubs in England could manage and dovetail the core functions of the Energy Hub. The report proposed that the Combined Authority assumed the management role for RCEF, and employ a Community Energy Advisor to administer the scheme. The costs for employing the Advisor, and associated administration, were estimated at £150,000. Employing the Advisor within the Combined Authority would result in greater cross fertilisation and presence across the whole Greater South East area, and there would be clear advantages to communities in Cambridgeshire and Peterborough of hosting this post locally.

In response to Board member questions:

- it was confirmed that DEFRA had calculated that the greater South East area should receive £2.9M, given the largely rural area of its geography. For illustration, If this £2.9M was invested pro rata between member authorities, that would result in £183,000 being granted to Cambridgeshire and Peterborough, although this would ultimately depend on the quality of bids made into the fund from each area.
- the typical type of projects supported by the RCEF were noted, including the Community Heat scheme in Swaffham Prior, and other examples such as village solar power or vehicle charging schemes. The Advisor would help support communities to generate their own ideas. A Board member commented that this was particularly welcome given the largely rural nature of the county, and the lack of a mains gas supply to many villages;
- it was noted that this was a decision for the Combined Authority Board, so the Business Board were being asked to recommend that the Greater South East Energy Hub assumes the RCEF management role, administers the fund and employs a Community Energy Advisor. Detailed advice from BEIS was awaited on how the RCEF would be administered by the Hubs;
- a Member expressed strong support for the proposal in principle, noting that there were examples across the Combined Authority area of energy schemes that had

not progressed due to lack of funding. However, he expressed concern that the costs of employing the Advisor were considerable (£150,000) when compared to the likely benefits of the scheme (£183,000), and a number of other Members expressed similar concerns around this point. Officers explained that the funding for the dedicated Advisor post was top sliced i.e. there would be no cost to the Business Board or Combined Authority but hosting the post would give the Combined Authority exposure to further funding opportunities for projects in its area. A number of Members indicated that they supported the scheme in principle, but would like to see further information on the costs and financing of the proposal;

- it was noted that the Advisor would be a new and dedicated resource augmenting the current community infrastructure team within the Energy Hub, with a specialism in rural and community energy. It was reiterated that there would be no costs to the Business Board or Combined Authority to host the post.

The Interim Monitoring Officer advised that Business Board decisions were usually by consensus, but if Business Board Members were so minded, there was the scope to divide the recommendation i.e. recommend to the Combined Authority Board to agree that the Greater South East Energy Hub assumed the RCEF management role, but not the second part, i.e. the employment of the Community Energy Advisor. The Business Board agreed to proceed on this basis, and receive further information about the proposed Advisor role, including the costs, the geography covered by the role and how it would fit in with the existing team, at their next meeting. **Action required.**

It was resolved to:

- a. recommend the Combined Authority Board to agree that the Greater South East Energy Hub assumes the RCEF management role.

20. GROWTH HUB PROGRESS

The Business Board received a half yearly update on Growth Hub activity, as submitted to the Department for Business Energy and Industrial Strategy (BEIS). Signpost2Grow is the Growth Hub for the Greater Cambridge Greater Peterborough region, providing support to growing businesses in the form of triage, diagnostics and referrals to other business support providers, local and nationally. It was noted that the Growth Hub was fully funded by BEIS, i.e. there was no cost to the Business Board or Combined Authority. The Hub employed a small team of three staff.

Members noted:

- that the Hub had a 92% customer satisfaction rating, which was above the national average of 87%, with 97% clients recommending the Hub. Further changes would be made at the Growth Hub, to bring it in line with the Industrial Strategy;
- examples of businesses supported through the Hub, including a composite manufacturer in Sawtry, which employs 35 people, including apprentices, and a business providing mental health support for teenagers.

It was resolved to:

- i) note the Growth Hub six-month activity report;
- ii) note the Better Business for All paper(s)

21. LOCAL INDUSTRIAL STRATEGY

Members considered a report on progress with the Local Industrial Strategy. Members were reminded that the Local Industrial Strategy was an opportunity for local areas, acting as a blueprint for local economic growth and productivity, and for the Business Board to identify key areas for future investment. Business Board members were currently carrying out a roadshow of sessions alongside Economic Commissioners in each district, to get further input from local businesses and stakeholders.

It was resolved to:

- a. note the progress so far in the development of the Local Industrial Strategy, and the next steps in the process.

22. BUSINESS BOARD PRIVATE SECTOR BOARD MEMBERS – EXPENSES AND ALLOWANCES SCHEME

Members considered a report on expenses and allowances scheme for Business Board private sector members. Following advice from the Interim Monitoring Officer, it was confirmed that whilst the Chairman's interest in this matter should be noted, it was not necessary for the Chairman to leave the meeting on the basis that the Combined Authority Board would make the final decision on this matter.

Introducing the report, the Interim Monitoring Officer advised that the principle of paying allowances to Business Board members had been considered by the Interim Business Board and highlighted that the final decision would be made by the Combined Authority, and the recommendation was that the Interim Monitoring Officer would convene an independent remuneration panel.

The Chairman advised that in his role as a Director of TWI Ltd, he could not receive any remuneration for external work, so he had agreed to take an equivalent salary cut for any remuneration from the Business Board.

It was resolved to:

- a. note the Interim Business Board agreed the principle of paying allowances to private sector members of the Business Board and that positions were advertised on this basis;
- b. agreed that an independent remuneration panel should be convened to consider the level of allowances payable to:
 - i. the Chair;
 - ii. the Vice Chair;
 - iii. other private sector board members.

- c. agree that the Monitoring Officer be authorised to source a suitable panel to recommend an allowance scheme to the Business Board;
- d. agree as an interim measure until a scheme is agreed to:
 - i. adopt an expenses scheme for private sector board members to take effect from July 2018
 - ii. confirm the Chair's allowance of £2,000 a month to take effect from the date of the appointment.

23. DATE OF NEXT MEETING

On a general point, a member observed that some reports had supporting documents, whilst others did not. Officers advised that the way reports were presented was being reviewed, with the intention to present more concise reports, with supporting documentation in appendices, as appropriate.

It was resolved unanimously to note the date of the next meeting.

Chairman