



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
BUSINESS BOARD: VIRTUAL MEETING MINUTES

**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Date: Monday, 23rd March 2020

Time: 2.30pm – 4:25pm

Present: Austen Adams (Chairman), Tina Barsby, Mark Dorsett, Councillor John Holdich, Faye Holland, Aamir Khalid, Nicki Mawby, Jason Mellad, Andy Neely, Mayor James Palmer, Nitin Patel, Kelly Swingler and Rebecca Stephens

120. APOLOGIES AND DECLARATIONS OF INTEREST

The Chairman welcomed Kelly Swingler as a new member of the Business Board.

Apologies were received from Al Kingsley

Austen Adams, Tina Barsby, Aamir Khalid and Jason Mellad declared interests in the Local Growth Fund (item 124).

Mayor James Palmer and Councillor John Holdich declared an interest in the University of Peterborough (item 125); the Mayor and Councillor Holdich reminded Members that they were both non-voting Business Board Members.

121. MINUTES OF THE MEETING HELD ON 27TH JANUARY 2020

The minutes of the Business Board meeting held on 27th January 2020 were agreed as a correct record.

Turning to the Action Log, the Director of Business and Skills provided updates on the ongoing actions. With regard to Minute 109 (Combined Authority Update), he noted that the Market Town strategy would be funded by the Combined Authority and a further update would be provided to the Business Board once the call for funding proposals had been completed. He advised members that the Combined Authority was still considering how to incorporate their offer to provide support to the CAM project, informing them that a pipeline Local Growth Fund (LGF) proposal concerned the CAM project.

With regard to Minute 111 (Local Growth Fund Programme Management Review – January 2020), he informed Members that although the negotiating position of the Government was to move away from State Aid rules currently enforced by the EU, this was considered a red line by the EU negotiators and therefore it was not possible to say at this stage how the rules would be affected by the UK's departure from the EU.

With regard to Minute 112 (Local Growth Fund Project Proposals – January 2020), members were assured that the discrepancies had been investigated as part of a review of the LGF and that such information would be correct in future reports.

122. COMBINED AUTHORITY UPDATE

The Business Board considered a report on key headlines from the Combined Authority Board meeting held on 29th January 2020. The Deputy Chief Officer of Business and Skills noted that all recommendations made by the Business Board had been accepted.

Due to the COVID-19 situation, and the meeting being held remotely, the Chairman informed Members that he had agreed to defer presentations on the A10 upgrade and the University of Peterborough to the Business Board meeting on 26th May 2020. An update on the Greater Cambridge Partnership was also postponed to a future meeting.

It was resolved to:

Note the Decision Statement of the Combined Authority Board meeting held on 29th January 2020 (Appendix 1 to the report).

123. BUSINESS ADVISORY PANEL UPDATE

The Business Board considered an update on the Business Advisory Panel (BAP) meeting that had been held on 20th February 2020. The Deputy Chief Officer of Business and Skills highlighted that the meeting had been held before the effects of COVID-19 had begun to have such a widespread impact.

While discussing the issues raised by the BAP, the Business Board:

- Considered the content of the BAP minutes and agreed that they were more focused and aligned to the Business Board agenda than in previous iterations.
- Expressed concern over the lack of an identifiable over-arching Business Networking / Support structure in Peterborough, as identified by the BAP. While it was acknowledged that Opportunity Peterborough played a role in networking businesses in the city, along with other networks, it was argued that these separate networks were not themselves connected to one another. One member suggested that a representative of Opportunity Peterborough could join the BAP, but it was recalled that the Business Board had previously agreed to strengthen the panel's operational framework before expanding its scope or input. The Director of Business and Skills noted that the Business Board had agreed to provide Opportunity Peterborough with £400k to provide business network in the city.
- Cautioned against overloading businesses and people with information, especially on the current COVID-19 situation, ensuring that it was both streamlined and effective.

It was resolved to:

Note the minutes and recommendations of the Business Advisory Panel meeting held on 20th February 2020 (Appendix 1 to the report).

124. LOCAL GROWTH FUND MANAGEMENT REVIEW AND RECYCLED FUNDS – MARCH 2020

Members considered a report on the ten projects in the delivery phase of the Local Growth Fund programme, and the twenty approved projects which were being negotiated in terms of pre-contract or funding agreement, in advance of delivery, with a total value of £54m. The Combined Authority Board had approved the allocation of a total of £146.5m of the £146.7m available. The Strategic Funds Manager drew attention to the fact that three of the projects in delivery would not be taking full application of their funds, with one stating that they were unable to spend the money, another going in to liquidation, and the final project re-profiling its own schemes, therefore returning some of the funding. He informed members that further applications had been received for the new small business Capital Growth Grants programme and provided assurances that the full £3m would be allocated, suggesting that offering up-front payments would be beneficial. He also noted that the Combined Authority was writing to all project leads in order to establish how each one was doing.

While discussing the report, the Business Board:

- Expressed concern that a business that had received funding from the Business Board was going in to liquidation before spending the funds provided. It was suggested that such an eventuality should have been identified and avoided during the application process. The Strategic Funds Manager informed members that the application in question had been approved before the Business Board had been formed, when it still functioned as a Local Enterprise Partnership (LEP), more than 18 months previously.
- Clarified that the £8.9m that had been recuperated from LGF projects would need to be allocated by 31st March 2021, unless the deadline was changed. The Business Board Section 151 Officer observed that the deadline had been stipulated by the Department for Business, Energy and Industrial Strategy (BEIS) and that the Business Board would need a good reason to change it in order to avoid affecting the future relationship. The Mayor suggested that BEIS should consider the significant period of over which it had implemented a freeze on the Business Board's assets, therefore making it more difficult to allocate funds within the stipulated timeframe.
- Considered whether the recuperated £8.9m could be reallocated to help deal with effects of COVID-19. The Director of Business and Skills acknowledged that it was possible but pointed out that it would require making a call to the market, which would lead to a longwinded procurement and approval process that would likely be focussed on survival rather than long-term help. He noted that the Business Board had a separate £23.7m already approved in procurement, grants and equity, which could be redirected and mobilised by August 2020, and suggested that focus should be placed on using those funds for COVID-19 related issues.
- Observed that the Eastern Agri-Tech Growth Initiative no longer had a Business Board representative, following William Haire's resignation at the previous meeting and it was agreed that a replacement should be arranged. **Action required**

It was resolved to:

- a) Note the submission of the Growth Deal monitoring report to Government end Q3 2019/20;
- b) Note the availability of returned Local Growth Funds for allocation; and
- c) Note the current and projected recycled funds available to the Business Board.

125. UNIVERSITY OF PETERBOROUGH OUTLINE BUSINESS CASE – PHASE 1

The Business Board received a report on the Outline Business Case (OBC) that had been produced by the Combined Authority and Mace to demonstrate the economic impact and educational need for the creation of the new University of Peterborough. Members were assured that the project was currently still running according to schedule, with a tender on procurement due to be issued on 17th April 2020, although it was acknowledged that there were a number of areas in which the effects of COVID-19 might lead to a change.

While discussing the OBC and the report, the Business Board:

- Suggested that it should be established whether the university had a dependence on overseas students, as such a dependence was liable to be affected by current travel restrictions, as was the case with other universities. It was further suggested that while some overseas students may no longer be able to attend, others may no longer wish to put themselves at risk. The Director of Business and Skills acknowledged the concerns and informed members that a detailed business plan, including information on international students, would be shared with some Business Board members in order to assess its viability.
- Expressed further concerns over reduced student numbers due to the cancellation of GCSE and A-level exams across the UK and the knock-on effects. The Project Lead for University of Peterborough assured members that extensive work would be carried out to protect pathways to higher education.
- Sought clarification over the level of involvement of businesses in the development of the university's curriculum. The Project Lead for University of Peterborough informed members that the OBC had included extensive modelling on the curriculum, while a business survey conducted by Opportunity Peterborough had also identified key areas. She assured them that it was based on the business demand and needs of the region.
- Considered the impact that COVID-19 could have on the local skills market, noting that a serious transformational change was likely, leading to a rebirth of education and skills. It was argued that this showed it was more important than ever that Peterborough needed the university.

It was resolved to:

Note the contents of the report.

126. BUDGET UPDATE – BUSINESS BOARD FUNDS

The Business Board received an update and overview of the revenue funding lines that were within the Business and Skills Directorate, in order to enable informed decision making regarding the expenditure of these funds. The Finance Manager for Business and Skills emphasised that section 3 of the report detailed funding lines under direct control of the Business Board, while section 4 referred to funding lines that were now under the Business Board's control.

It was resolved to:

Note the update and financial position relating to the revenue funding lines under the control of the Business Board.

127. 2020-24 BUSINESS AND SKILLS DIRECTORATE MEDIUM TERM FINANCIAL PLAN REVIEW

The Business Board received a report that presented the Business and Skills Directorate's Medium Term Financial Plan as amended by funding announcements and decisions made by officers and the Combined Authority Board, following its approval on 29th January 2020. The Business Board Section 151 Officer informed members that the Combined Authority's budget included a four-year plan which was refreshed on an annual basis, noting that the update would be carried out earlier this year due to the financial situation arising from the COVID-19 crisis. It was noted that while some elements had already been committed to specific budgets, there were some unallocated funds that could be used to forward the Business Board's agenda, while there was also a certain flexibility in moving money between projects during the year.

It was recalled that the Business Board had discussed marketing and the promotion of services at its meeting on 27th January 2020 and one member queried why revenue expenditure on the area had only been included for 2020/21, with no further allocations in future years' budgets. The Director of Business and Skills explained that there was a desire to assess the effectiveness of the current pilot scheme before committing future funds, although he confirmed that the second year's budget would be added following this assessment. He also suggested that the level of Business Growth Service procurement was significant, with £10.3m worth of services from contractors who would be offering their own services to companies and therefore carrying out their own marketing. Coordinating the different marketing campaigns would be beneficial to all.

It was resolved to:

Note the Medium Term Financial Plan for the Business and Skills Directorate.

128. ADVANCED MATERIALS AND MANUFACTURING SECTOR STRATEGY PLAN REVIEW

The Chairman informed the Business Board that in light of the current circumstances he had agreed to defer this item until the next meeting on 26th May 2020.

129. ENTERPRISE ZONES FUNDING UTILISATION

The Business Board received a report that contained an updated position regarding Combined Authority Enterprise Zone business rates income, as well as the revised financial commitments and allocations made against the Enterprise Zone National Non-Domestic Rates (NNDR) income. It invited the Business Board to recommend the Combined Authority Board to approve the reallocation of £306,313 from Enterprise Zone NNDR income to the Local Growth Fund, and the Business Programmes Manager reiterated that BEIS had approved such a use of the funds.

It was resolved to:

- a) Note the updated financial position regarding CPCA share of Enterprise Zone NNDR income (set out for the period 2019/20 – 2022/23);
- b) Note the financial commitments allocated against the CPCA share of Enterprise Zone NNDR income; and
- c) Recommend the Combined Authority approve the reallocation of £306,313 (representing 75% of all eligible costs) from Enterprise zone NNDR income to Local Growth Fund).

130. BUSINESS BOARD GOVERNANCE REVIEW

The Business Board received a report on the findings of the Business Board Governance Review and subsequent recommendations. The Deputy Monitoring Officer drew attention to the section of the governance review that referred to the Combined Authority Board Oversight & Assurance, noting that the Combined Authority Board would have to approve any changes to the current process. She also highlighted the success of the recruitment process in August 2019 that had led to six new Business Board members and the appointment of a permanent Chairman, although she indicated a preference to reduce the size of the appointment panel. The Conflict of Interest policy would also be updated to cover officers, while further policies would be introduced, including one on gifts and hospitality.

While discussing the recommendations arising from the review, members observed that allowing for the Combined Authority Board to approve funding decisions ensured that there was oversight of the Business Board by publicly-elected officials. It was also argued that the current practice ensured the presence of business-related matters on the Combined Authority Board's agenda and that removing this would provide less opportunity to promote businesses and the interests of the sector.

It was resolved to:

- a) Note and approve the preliminary recommendations and next steps outlined in the Appendix;
- b) Recommend to the Combined Authority approval of the preliminary recommendations and next steps outlined in the Appendix; and
- c) Recommend that the Combined Authority delegate authority to Monitoring Officer to amend the Assurance Framework and Constitution to reflect the recommendations outlined in the Appendix.

131. GOVERNANCE UPDATE

The Business Board received an update on governance by the Director of Business and Skills following its annual performance review with BEIS on 3rd February 2020. A record of that meeting had been circulated to members, which included a list of actions that were outstanding following the mid-year review in June 2019. With regard to the various actions listed within, the Director of Business and Skills noted:

- That a governance review had been carried out and presented in the previous item;
- That the Chairman had written to BEIS on 28th February 2020;
- That the actions against the Business Improvement Plan had all been completed;
- That minutes of the mid-year review had been circulated to the Business Board;
- That due diligence had been carried out on new members of the Business Board;
- That the Business Board had committed to holding a public annual general meeting;
- That the Business Board Section 151 Officer now signed off the Assurance Statement;
- That letters had been sent to BEIS and the Department for Transport regarding the skills advisory panel and Local Insurance Framework;
- That the Enterprise Zone Memorandum of Understanding had been shared with Huntingdonshire District Council;
- That BEIS colleagues had attended Enterprise Zone Board meetings; and
- That details of plans on the University of Peterborough and a research centre had been shared with MP Jake Berry.

It was resolved to:

Note the update.

132. CORONAVIRUS UPDATE

It was agreed by the Business Board to consider this verbal update at the beginning of the meeting in order to avoid multiple references to the issue during the discussion of other items on the agenda. Members were reminded that an update on the Combined Authority's emerging short-term role had been circulated prior to the meeting and published on the Business Board's website, while a confidential summary of government short term funding had also been circulated to Business Board members.

The Deputy Chief Officer of Business and Skills informed members that the Combined Authority had been working on two key areas around the effects of the COVID-19 outbreak. The first of these was regarding communication between businesses, the Combined Authority and the government, with a focus on ensuring that effective communication channels were established and that all businesses across the whole County were included. He acknowledged that complete coverage had still not been achieved, but assured members that every effort was being made to minimise the number of businesses that did not appear on the Combined Authority's Beauhurst software. It was noted that communication had to flow in two directions, with information on support packages coming down from the government to local businesses, and feedback or requests being passed on from businesses up to the government. A survey had been circulated to businesses across the area, with over 100 responses having been received, and members were informed that they would be updated once an analysis of these had been completed. He also emphasised that such practices needed to be carried out in the long term in order to monitor how businesses were recovering over future months and years.

The second key area of focus was regarding local and national actions in response to the crisis, with a wide range of innovative measures being proposed and considered. The Director of Business and Skills suggested that the government's initial response had alleviated many of the short term concerns and that the Business Board's role currently revolved around providing information and guidance to businesses across the area, specifically regarding access to funding and financial support. He informed members that the Combined Authority was also planning on a medium and long term basis, as laid out in the public document circulated prior to the meeting. Options for financial assistance that could be provided included more lenient loan repayments on contracts held by the authority or the provision of up-front payments to projects to help with applicants' liquidity, although the risks of such proposals still needed to be assessed.

Business Board members were also asked to consider overall strategy, including how the existing business growth service could be adapted to also perform as a business recovery service. While there was a certain level of funding already available to the Combined Authority that could be diverted to such efforts, it was noted that a joint mayoral lobby to government for the development of a recovery pot for revenue and capital was being considered by all combined authorities across the country. This would supplement local funds and it was observed that most LEPs around the country did not have funds available as they were fully committed.

While discussing the update, the Business Board:

- Welcomed the Combined Authority's business-orientated response to the crisis, and agreed with the need for long term planning to accompany short term measures. Members acknowledged the responsibility of both the Business Board and Combined Authority to assess how quickly businesses would be able to react when the crisis receded and to be prepared to provide assistance at this time. Caution was expressed about overloading smaller businesses with too much information, with the suggestion that the Business Board should only signpost and focus on measures unique to its own position, such as with regard LGF loan repayments.
- Welcomed the significant financial packages announced by the government, but expressed concern over widespread confusion on how to access the funding, especially given the urgency faced by many businesses. The Director of Business and Skills suggested that the Business Board would be able to do more to help local businesses once the funding actually became available.
- Expressed serious concerns about the situation many businesses found themselves in, noting that significant redundancies had been made both before and after the government's announcement of emergency financial support. It was suggested that demand for many services and products had disappeared and businesses would therefore quickly run out of cash. It was also observed that many businesses had already suspended apprenticeships, in contrast to the previous high demand for positions and that this could serve as an indication of businesses that required immediate assistance.
- Expressed frustration that some businesses were not receiving information from the Combined Authority on the available assistance, including some of the businesses owned by members of the Business Board. It was argued that it was of particular importance to assist smaller businesses, as larger companies tended to have greater capacity and knowledge about available funding, whereas those which had never sought such financial assistance were more likely to struggle. The Deputy Chief Officer of Business and Skills informed members that once all the information became available, the Combined Authority would produce webinars on the available funding and how to access it, which would be circulated to businesses. Members were also informed that three people were dedicated to ensuring local companies had access to all the information regarding grants and loans, while a further three workers were being mobilised to expand the team. **Action required**
- Suggested that it would help businesses if the Combined Authority produced a template application that could be used as a guide when submitting their own applications. Members also proposed working with other LEPs on this issue, to avoid duplication and maximise resources. The Director of Business and Skills noted that work was already being carried out with the OxCam LEPs and other Combined Authorities, although he agreed that this work could also link in to the LEP Network. **Action required**
- Expressed doubt over whether it would be possible for all current LGF funding to be taken up by the deadline of March 2021, but the Director of Business and Skills

informed members that the government would be lobbied to extend the deadline, along with the June 2023 deadline for the Business Growth Service. The Business Board Section 151 Officer observed that failing to meet the agreed outcomes by the deadline would risk negatively affecting future applications for government funding.

- Proposed converting loans given out by the Business Board into grants, thus removing the requirement for the recipient businesses to make repayments. While acknowledging that such action was possible, the Business Board Section 151 Officer noted that projects would have originally scored differently if their applications had been based on a grant application, and therefore such a measure could be considered as unfair by those bids that had previously been rejected.
- Queried whether it would be possible for the Combined Authority, as the accountable body, to delegate authority to the Business Board to approve financial assistance, such as relaxing loan repayments or advancing loan payments. The Deputy Monitoring Officer informed members that guidance on the matter was being assessed, although the current advice from the Monitoring Officer was to not do this. The Business Board Section 151 Officer also suggested that there was a need to identify which businesses required assistance and to provide this on a targeted basis rather than simply applying a blanket one-size-fits-all approach.
- Considered what actions to recommend to the Combined Authority Board. The Director of Business and Skills informed members that suggestions on changes to existing and future LGF contracts would be circulated to members following the meeting in order to seek their approval for recommendation to the Combined Authority Board via the urgency procedure at its meeting on 25th March 2020. The Mayor confirmed that he would be willing to accept late submissions to the Combined Authority Board meeting.

It was resolved to:

- a) Note the update; and
- b) Agree to use the urgency procedure to bring forward recommendations in response to the Coronavirus Update to the Combined Authority Board.

133. BUSINESS BOARD HEADLINES FOR THE COMBINED AUTHORITY

It was noted that the Chairman would be participating in the Combined Authority Board meeting on 25th March 2020. Members were reminded that recommendations to pass on to the Combined Authority Board would be circulated on 24th March 2020 seeking their approval.

134. BUSINESS BOARD FORWARD PLAN

The Chairman noted that the Advanced Materials and Manufacturing Sector Strategy Plan Review, which had been deferred earlier in the meeting, would instead be considered at the next Business Board meeting on 26th May 2020, as would the presentations that were deferred during the Combined Authority Update item.

The Business Board expressed satisfaction with how the virtual meeting had been organised and undertaken, noting that it was likely that the next meeting would also be carried out in a virtual environment. The Business Board was required to hold one of its meetings each year in public and this was due to occur at the meeting on 26th May, but due to the fact that it was likely to be a video conference, it was proposed to hold the November meeting in public instead, to encourage as much public interaction as possible.

Members suggested that given the fast-changing nature of the financial situation, it would be helpful to arrange a number of short telephone conferences before the meeting on 26th May 2020. It was agreed to organise such additional meetings in order to establish a more frequent and extensive discussion. **Action required**

An updated version of the Forward Plan would be circulated to the Business Board.
Action required

The Chief Executive of the Combined Authority expressed her gratitude to the Business Board for their thoughts and contributions to the discussion on the current situation.

It was resolved to:

Note the Forward Plan.

Chairman
26th May 2020