



THE BUSINESS BOARD

BUSINESS BOARD

Date: Monday, 23 September 2019

14:30 PM

Democratic Services
Dermot Pearson
Interim Monitoring Officer

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

**Cambridgeshire & Peterborough Combined Authority,
Alconbury Weald, PE28 4XA**

AGENDA

PRIVATE MEETING

- 1. Part 1 - Governance Items**
- 1.1 Apologies and Declarations of Interest**
- 1.2 Minutes of the Business Board meeting held 22nd July 2019** **5 - 16**
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For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

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Membership

The Board currently comprises

Public Sector Members

Name	Position	Body
James Palmer Substitute Cllr Steve Count	Mayor	Cambridgeshire and Peterborough Combined Authority
Cllr John Holdich Substitute Councillor Wayne Fitzgerald	Deputy Mayor and Portfolio Holder for Economic Growth	Cambridgeshire and Peterborough Combined Authority

Private Sector Members

Member	Sector	Organisation
Austen Adams	Advanced Manufacturing	Stainless Metalcraft/Peter Brotherhood
Tina Barsby	Agri-tech	NIAB

Mark Dorsett	Advanced Manufacturing	Perkins Engines/ Caterpillar UK
William Haire	Agri-tech	East of England Agricultural Society
Aamir Khalid	Advanced Manufacturing and Skills	The Welding Institute (TWI)
Andy Neely	Education	University of Cambridge

The Business Board is committed to open government and supports the principle of transparency. With the exception of confidential information, agendas and reports will be published 5 clear working days before the meeting. Unless where indicated, meetings are not open to the public.

For more information about this meeting, please contact Dawn Cave at the Cambridgeshire County Council on 01223 699178 or email dawn.cave@cambridgeshire.gov.uk.

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
BUSINESS BOARD: MINUTES



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Date: Monday, 22nd July 2019

Time: 2.40-4.35pm

Location: Cambridge Clinical Research Centre, Cambridge Biomedical campus

Present: Aamir Khalid, Austen Adams, James Palmer, Tina Barsby, William Haire, Andy Neely and Councillor Wayne Fitzgerald

58. APPOINTMENT OF INTERIM CHAIRMAN/WOMAN

Following on from the discussion at the last meeting of the Business Board, a process had been undertaken to identify an interim Chair. One applicant - Austen Adams – had come forward. The interview process, including the make-up of the interview panel and the range of the questions asked, were outlined. The panel recommended that Austen Adams be appointed as Interim Chair.

Aamir Khalid affirmed his resignation as Chairman. No other nominations were put forward by remaining Board members, and Austen Adams was unanimously appointed as the Interim Chairman. Aamir Khalid officially stepped down and the meeting continued under the Chairmanship of Austen Adams.

On behalf of the Business Board, Austen Adams thanked Aamir Khalid for his skilful chairing over the previous year.

59. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies were received from Councillor Holdich (Councillor Fitzgerald substituting).

The Chairman, Austen Adams, declared an interest in Chatteris Technology Park, which was referred to in the CPCA Advanced Materials Manufacturing report. Mr Adams observed that no decisions were being made relating to that site, so he would like to participate in that debate.

Professor Neely declared an interest as a Non-executive Director in Cambridge Innovation Capital, referenced in the Local Industrial Strategy.

Councillor Fitzgerald declared an interest as Deputy Leader of Peterborough City Council in the University of Peterborough item, adding that he had no personal conflict in relation to this item.

60. MINUTES OF THE MEETING HELD ON 28TH MAY 2019

The minutes of the Business Board meeting held on 28th May 2019 were agreed as a correct record and signed by the Chairman.

61. COMBINED AUTHORITY UPDATE

The Business Board considered a verbal report on key headlines from the Combined Authority.

Three housing schemes had been approved at the June Combined Authority Board meeting, including the conversion of 25 units at Alexander House in Ely (£4.5M), a contribution towards 14 units over seven sites in Huntingdon owned by Luminus (£600K) and a site acquisition at a confidential location in the CPCA area (18 units, £1.2M).

A number of transport projects had also been approved to further develop the Major Road Network and Large Local Majors funding streams. The final list had recently been signed off.

There was a discussion around the transport constraints of the Addenbrooke's site. The Mayor commented that the key problem was the lack of a railway station, which was particularly frustrating given that both Astra Zeneca and the Royal Papworth Hospital NHS Foundation Trust had committed to move to the Addenbrooke's site some years ago, and both were due to be on site this year. The government had announced that the railway station would be operational by 2028, which was very disappointing given the importance of this site nationally and internationally. The Mayor commented that the change in Prime Minister would hopefully lead to a change of priority for infrastructure development.

There was a discussion about the lack of parking at Addenbrookes, and the Mayor commented that extensive new car parking on site was not an objective, but a modal shift with an emphasis on public transport. The Combined Authority was working with bus companies, to secure reductions in fares in order to increase patronage. Whilst there were moves to expand the Park & Ride options in Trumpington, the Mayor commented that he was more sceptical about Park & Ride, as he felt it just moved the problem from one place to another, and the overriding objective should be to discourage people using their cars. A member commented that the Park & Ride site was currently full to capacity, and as an interim solution, it was vital to get people to work in the short term.

It was resolved to:

Note the update.

62. BUSINESS ADVISORY PANEL UPDATE – JULY 2019

The Board considered the minutes of the new Business Advisory Panel meeting held on 27th June 2019. Members were reminded that the Business Advisory Panel was formed to provide the Business Board with independent advice from representatives of the business community. The membership of Business Advisory Panel was noted.

At its first meeting, the Business Advisory Panel had debated the current gap in provision of local business support, drawing upon their wider knowledge of what was being done in the neighbouring regions and across the country. The Business Advisory Panel represented a large, local membership (approximately 7,920) based business community that was transparent and apolitical. In response to a member question, it was confirmed that there were around 25,000 businesses in Cambridgeshire and Peterborough. The member commented that it would be interesting to know whether the Panel was representative in terms of the size of businesses.

It was noted that as Panel was advisory in nature, there was no obligation for the Business Board to act upon its recommendations. However, some of the recommendations could clearly be supported by funding available to the Business Board, if members had the desire or will to take them forward.

Arising from the report:

- in response to a member question, it was confirmed that in terms of membership *“other members may be appointed by a simple majority”*, so membership was very flexible. A Member also suggested that the Business Advisory Panel may benefit from more members from more local businesses, not just large, national organisations;
- with regard to the EU Exit support for export/import documentation, it was noted that the situation with export was a major concern currently. There had been a request from HMRC to set up Brexit events over summer, which may be poorly timed given that many people would be on holiday. The focus was very much about business resilience rather than Brexit specifically;
- a member commented that it would be useful to see the underlying evidence base on which the recommendations had been made;
- the Mayor advised that bulk of funding for business was earmarked for export businesses. However, there was also a considerable problem owing to the lack of construction workers, and he felt that there should be direct engagement with that sector, which was vital for Cambridgeshire and Peterborough residents, as the number of homes being built in the county was consistently falling short of targets;
- Business Board members noted the representatives put forward by member organisations. A member observed that one member of the Panel had previously been on the LEP, and it was suggested that the Panel may be best served by having a clean break for the LEP. Another member suggested that previous LEP involvement was not necessarily a drawback. The merits of the recruitment of Panel members by approaching key business groups in the Combined Authority area was discussed. It was also suggested that it would have been helpful for the Business Board to consider the Business Advisory Panel report at an earlier stage, so that Business Board members could comment and shape the recruitment and governance processes.

It was resolved to:

- a) note the minutes of the Business Advisory Panel meeting held on 27th June 2019;
- b) approve the appointments of Chairman and Vice-Chairman made by the Business Advisory Panel;
- c) note the recommendations from the Business Advisory Panel as set out in Section 2.4 of the report.

64. LOCAL GROWTH FUND UPDATE

The Business Board considered a report on the performance of the Growth Deals Programme to deliver new homes, jobs and skills across the LEP area from April 2015 to 30 June 2019, and the current in-year position for both the Growth Deal and Growing Places Funds combined. The report set out an assessment of the pipeline of both current and expected projects.

To date, £85.3M in Growth Deal payments had been made, and an additional two projects approved by the Business Board in May, totalling £4.05M. The A428 road improvements project would not be going ahead so £9M was being removed from the forecast spend and returned to available funds. £49M of Growth Deal funding remained.

Board members noted that a formal monitoring return for Growth Deal performance and forecasts needed to be submitted to government by 23rd August 2019, setting out the return for Quarter 1 2019/20. A summary of the return was set out at Appendix A to the report. Appendix D set out the new Investment Prospectus for the latest Call. It was confirmed that this had been published prior to the meeting, but was largely similar to the document considered at the May meeting of the Business Board, with a small number of date changes.

There was a discussion about the proposed new Capital Growth Grants for small businesses, for which a £3M pilot programme was proposed, for grants totalling between £10K and £100K. Whilst £3M was requested initially, potentially more funding would follow this pilot, up to a total of £15M of the LGF. Given the likely volume of applications, it was proposed that an external provider would manage and administer this high volume/low value scheme. It was confirmed that the existing small grants scheme gave grants of between £2K and £20K.

Board members discussed whether this should be opened up to larger companies, i.e. small grants to non-SMEs, but officers advised that other funding and interventions were planned for larger companies. It was further noted that the proposal for a growth coaching service would probably not be launched until 2020. A member suggested that the same mechanism that applied to the Eastern Agri-tech Growth Initiative could be used.

There was a discussion around the lower and upper limits (£10K-£100K) and the rationale behind those parameters. Officers commented that one of the intentions was

for the pilot to establish whether these limits were appropriate. Board members commented that they would like to have been consulted and it was agreed that their views would be sought following the meeting.

A Member observed that £10M had originally been identified for the University in Peterborough in the Capital Growth Grant Scheme, and this had increased to £15M. Officers explained that the increase was due to an increased desire to fund the capital fund and potentially provide subsidies for the first few years. This scheme was potentially a joint venture between CPCA and Peterborough City Council, and that proposal would need a set of criteria, including a long period for Value Added and job outcomes.

Members were pleased to note that on the existing Small Grant Scheme, £66,099 had been granted, and 13 new jobs created. They requested a list of the grants that had been approved. **Action required.**

For the proposed Entrepreneur Advisory Panel (EAP), an additional step in the process would be a “Dragon’s Den” style interview panel. It was proposed that the Mayor led that panel, with up to three Business Board members.

It was resolved to:

- a) recommend the Combined Authority Board agree the submission of the Growth Deal monitoring report to Government to end Q1 2019/20;
- b) note the revised categorisation of projects in the pipeline and forecast spend beyond July 2019;
- c) recommend to the Combined Authority Board the proposed creation of a Capital Growth Grant scheme for small businesses using LGF and recommend to the Combined Authority Board for approval of a £3m pilot programme and for Officers to run a procurement for a provider to deliver the pilot programme;
- d) note the launch of Investment Prospectus in July to call for investment projects;
- e) approve the remit and Terms of Reference for the proposed Entrepreneur Assessment Panel (EAP) being created in the LGF application process and request Board members to volunteer to sit on this panel;
- f) note the Eastern Agri-Tech Growth Initiative update;
- g) note the progress of the existing Small Grant Scheme.

64. INTERNAL AUDIT – BUSINESS BOARD

The Business Board considered a report detailing the outcomes from the review commissioned in relation to the Business Board which was considered by the Audit and Governance Committee on 31 May 2019.

Business Board members noted that there was a government requirement for LEPs to have an Internal Audit function. Peterborough City Council had been commissioned to provide the Internal Audit functions for the Combined Authority, including the Business Board. A total of 77 areas were explored, and the following areas were raised as requiring action:

- Publication of financial data
- Arrangements to ensure Value for Money
- Project Delivery
- Engagement
- Board remuneration
- Government branding
- Recovery of funding

Officers outlined the actions taken to date in response to the Internal Audit reports, and whether the actions had been completed or were outstanding/ongoing.

It was resolved to:

- a) consider the outcomes from the review of corporate governance of the Business Board together with the proposed actions for management to address any weaknesses identified (Appendix 1 of the report); and
- b) note that the S151 Officer would submit the Audit Report to the Cities and Local Growth Unit together with any comments of the Business Board.

65. ALCONBURY ENTERPRISE ZONE MEMORANDUM OF UNDERSTANDING AND ENTERPRISE ZONE GOVERNANCE

Business Board Members considered a request for approval for the agreed Memorandum of Understanding around governance and distribution of NNDR monies on Alconbury Enterprise Zone, and also the proposed Terms of Reference for the Enterprise Zone governance.

Historically, there had been steering groups for Enterprise Zones, but it was proposed to forgo that layer of governance, and report directly to the Combined Authority Board. The Memorandum of Understanding set out the governance arrangements between the Combined Authority and Huntingdonshire District Council, and the criteria for the redistribution of retained Business Rates. The potential income from the retained Business Rates was noted, and the Business Board would make the decisions on how this vital income was utilised. There were no restrictions on how this income could be spent.

A member suggested that the governance documents need to be clear that the Business Board would make recommendations to the Combined Authority on how the income is spent. **Action required.** Subject to this addition, Board members agreed that they were happy with the recommendations.

It was resolved to recommend to the Combined Authority Board to:

1. approve the Alconbury Enterprise Zone Memorandum of Understanding between CPCA and Huntingdonshire District Council;
2. approve adoption of the proposed Enterprise Zone Programme Terms of Reference and associated governance.

66. CPCA ADVANCED MATERIALS MANUFACTURING STRATEGY

The Business Board considered the first Cambridgeshire and Peterborough Combined Authority Advanced Materials & Manufacturing Strategy. The Strategy was commissioned in November 2018 after a procurement exercise that appointed Hethel innovation Ltd to deliver it. The final Strategy included 26 recommendations derived from consultations and feedback, which had been refined, tested with stakeholders and consultees, and cross-referenced against other strategies including the Local Industrial Strategy.

A Member suggested that it would be good to have the Strategy authors, Hethel Innovation, presenting to a future Business Board meeting, and similarly it would be helpful to have a presentation on the Digital Strategy.

A Member commented that whilst the Strategy was generally positive and comprehensive, the focus was on the 'what' and 'why', but less about 'how' i.e. identifying the optimal interventions and ascertaining the potential for deliverability. Officers advised that the Local Industrial Strategy was being developed over the summer, and this could be fed in from a sectoral point of view.

It was resolved to:

Note and recommend the Cambridgeshire and Peterborough Advanced Materials & Manufacturing Strategy to the Combined Authority Board for approval.

67. PETERBOROUGH STATION QUARTER MASTERPLAN

Business Board Members considered a proposal for a joint project to accelerate production of a new masterplan for an area of land within Peterborough city centre. Funding was sought to accelerate the delivery of the masterplan scheme.

Councillor Fitzgerald declared an interest as Deputy Leader of Peterborough City Council, as the Council was a landowner and key partner in the development. William Haire declared an interest as was using LDA Design who were the design consultants for the Peterborough Station Quarter Masterplan.

The ten acres of land in question around Peterborough station were owned by LNER, Peterborough City Council and Network Rail, with the latter being the primary landowner. The project had numerous facets, not just relating to the land but also user experience. The aspirations of the project included the development of 10,000m²

leisure and office space, with the potential to attract major players, e.g. the relocation of government departments, and create 600 jobs, many of which would be higher value. The projected GVA and multiplier effects of the proposals were noted.

Approval was sought for a Combined Authority contribution of £46,000 for the masterplan study, with the remaining 50% of funding being met by Peterborough City Council, Network Rail and LNER. The £46,000 was available within the LIS implementation line of for 2019-20. A Member was surprised that there was an expectation from the other three parties that the Combined Authority would fund 50% of the study. It was noted that the Combined Authority could choose whether or not it would be involved in the project if it progressed.

Councillor Fitzgerald referred to Peterborough City Council's track record of delivering these type of schemes, e.g. the South Bank redevelopment. The proposals were a big opportunity for a number of reasons and desperately needed in what was the UK's fifth fastest growing city. It was noted that only 5,000,000 people used Peterborough station annually compared to 11,000,000 using Cambridge central station. Peterborough station also acted a gateway to a wider area, including Leicestershire and Lincolnshire, and was a major intersection poorly served in terms of leisure and meeting facilities.

It was resolved to:

1. consider the proposal for funding masterplan study and delivery covering the Peterborough station quarter area;
2. recommend approval of the funds to Peterborough City Council and recommend to the Combined Authority Board.

68. LOCAL INDUSTRIAL STRATEGY

The Business Board considered a report on the first Cambridgeshire and Peterborough Industrial Strategy, which had been published by government on 19th July 2019.

Members noted the proposals for implementation delivery of the Strategy, focusing on the three sub-economies (Life Sciences, Agri-tech and Digital/IT). The priority interventions set out in the LIS were categorised by three types of delivery:

- those that were existing commitments and devolved functions (e.g. Adult Education)
- designed interventions which have funding strategies which were being designed in consultation following the approval of the LIS (e.g. Growth Coaching, Skills Hub)
- interventions which would be invited from partners through a new call to the LGF (e.g. launch pad in specific geographic areas).

The Industrial Strategy included a chapter focusing on the Oxcam Arc, and a meeting was scheduled with DCLG on 5th August to discuss the strategic business case of the Oxcam Arc. A member observed that Agri-tech did not really feature in the priorities for the Oxcam Arc, and that may need reconsideration, as there were clearly activities taking place. Officers responded that that could be achieved through the Delivery Plans.

It was noted that various figures and tables were missing from the version of the Industrial Strategy appended to the report. It was confirmed that the Industrial Strategy had not been finalised and published until after agenda despatch, and that the final version was now available and would be available on both the Combined Authority's and the BEIS website.

On behalf of the Business Board, the Chairman congratulated all those involved for a job well done, and also thanked William Haire for representing the Business Board on this issue at the recent meeting.

It was resolved to:

- a. note the publication of the final Local Industrial Strategy;
- b. note the next steps regards the implementation and delivery plans.

69. REVIEW OF UNIVERSITY OF PETERBOROUGH

The Business Board considered a report on the delivery of the University of Peterborough. It was noted that a report had been presented to the Combined Authority's Skills Committee on 3rd April, and subsequently approved by the Combined Authority Board on 29th May.

Members noted the timescales for commitment and spend of funding included in Table B of the original Skills Committee report, which set out key milestones, including the first intake of students in September 2022. Project management consultants Mace had been appointed, following a procurement exercise through the CCS framework, and the Mace team comprised a strong team of 18 expert consultants from varying professions. Officers had been working with Mace since the end of June, looking at various strategies.

Members noted that the next stage was to appoint a Higher Education partner. To date, officers had been working with the University Centre Peterborough, but from 1st August the joint venture with Anglia University would cease to exist. It would take some time to identify the right Higher Education partner, which needed to be a quality organisation that would work well with businesses in the local area, and it was imperative that this process was not rushed. In response to a Member question, it was confirmed the Higher Education partner should be an existing university.

Feedback had been sought from 200 businesses in the Peterborough area, and a 60% response rate had been achieved, with the key concern being that the focus should be on technical qualifications at the new university, meeting the demands of the local market, and the bid document would make that point clear. The Prior Information Notice (PIN) would be issued in early August, starting the whole process.

The Mayor commented that he was pleased that Mace were on board for this vital project, and observed that a 60% response rate from Peterborough businesses was exceptional, highlighting how important this issue was for the local economy. He also

commented on the relationships with Peterborough Regional College (PRC) and Anglia Ruskin University, noting that it was a great opportunity for PRC to become a feeder college for the University. He praised the officers involved, saying that they had worked really hard to get the project to this stage.

A member asked if the intention was to follow a particular model set by another university. Officers advised that there were many models in the sector, but this was an opportunity to have a hybrid model between traditional and technical universities, meeting the needs of both demographics and the community. One of the great challenges would be to ensure that all stakeholders understand the balance to be had between economic development and what businesses want. A member commented that students wanted an attractive place to live and study, which links in with the bigger vision for Peterborough.

A member commented that this was an exciting opportunity to create a university fit for this time, rather than replicating what universities had previously done. He stressed the importance of Mace seeing this as more than a building project, and suggested contacting both Lynette Ryals, Chief Executive of Milton Keynes University, and also Pearson (digital publishing) who were doing some groundbreaking work with American universities.

It was resolved to:

note the findings of the reviews that were recommended and approved by the Combined Authority Board for the way forward for the University of Peterborough to be developed to meet the outcomes of the Cambridgeshire and Peterborough independent Economic Review, Local Industrial Strategy and Skills Strategy.

70. RECRUITMENT OF NEW CHAIR AND BUSINESS BOARD MEMBERS

The Business Board considered a report on the arrangements for recruiting a new Chair and Business Board members, in line with the National Local growth Assurance Framework and the Business Board Constitution.

Members had agreed to appoint an interim Chairman at the start of the meeting. The report set out the process and timetable for the appointment of further members and a permanent Chairman. In addition, members' views were sought on a Diversity Statement, which set out how the Business Board would reflect the local business community, including geographies, gender and protected characteristics. Tina Barsby agreed to be the Business Board's Champion for Diversity for an interim period of around six months. Tactics to attract a wider range of candidates were discussed.

It was resolved to:

1. agreed the process and timetable for the recruitment of the permanent Chair and additional Business Board members (in line with the National Guidance set out in Appendix 1 of the report);

2. agreed the revised Diversity Statement to meet the Business Boards diversity requirement (Appendix 3 of the report) and the appointment of Dr Tina Barsby to act as the Board Diversity Champion to support the recruitment process, and be involved in candidate shortlisting;
3. approved the increase of Business Board membership from 9 to 12 members.

71. BUSINESS BOARD HEADLINES FOR COMBINED AUTHORITY

It was noted that the Chairman was not available to attend the Combined Authority Board due to a prior commitment.

The Chairman commented that the Board was reviewing its purpose, and assessing whether it was appropriately aligned it terms of vision.

72. BUSINESS BOARD HEADLINES FOR COMBINED AUTHORITY BOARD

None.

73. FORWARD PLAN

It was resolved to note the Forward Plan.

Referring back to the Advanced Materials Manufacturing Strategy item, a member requested that the authors of the Digital Strategy be invited to discuss the Strategy with the Business Board. **Action required.**

74. DATE OF NEXT MEETING

It was noted that the next meeting was scheduled for 23 September 2019.

Chairman

BUSINESS BOARD	AGENDA ITEM NO: 1.3
23 SEPTEMBER 2019	PUBLIC REPORT

COMBINED AUTHORITY UPDATE

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of the Business Board
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: -	Key Decision: No
<p>The Business Board is recommended to:</p> <p>Note the Decision Statement of the CA Board meeting held on 31st July 2019.</p>	

1.0 BACKGROUND

- 1.1 This report provides a brief update to the Business Board on the key decisions from the previous CA Board meeting held on 31st July 2019.

2.0 CA BOARD: 31 JULY 2019

- 2.1 The Decision Statement from the meeting is attached as Appendix 1 for Business Board consideration.

3.0 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from the report.

4.0 LEGAL IMPLICATIONS

4.1 There are no direct legal implications arising from the report.

5.0 APPENDICES

5.1 **Appendix 1** - Decision Statement for CA Board meeting 31st July 2019.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 31st July 2019

Published: 5th August 2019

Decision review deadline: 12th August 2019

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Announcements, Apologies and Declarations of Interest	Apologies were received from Councillor C Boden (substituted by Councillor J French), Councillor L Herbert (substituted by Councillor M Sargeant) and Mr A Adams. No declarations of interest were made.
1.2	Minutes – 26th June 2019	The minutes of the meeting on 26th June 2019 were confirmed as an accurate record and signed by the Mayor.
1.3	Petitions	None received.

1.4	Public Questions	None received.
1.5	Forward Plan	It was resolved to note and comment on the Forward Plan.
1.6	Executive Committees – Change in Membership	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the change of lead member on the Transport and Infrastructure Committee for Fenland District Council from Councillor Chris Boden to Councillor Chris Seaton and the substitute member to Councillor Chris Boden. b) Approve the substitute member on the Housing and Communities Committee for Fenland District Council from Councillor David Oliver to Councillor Sam Hoy. c) Approve the change of lead member on the Skills Committee for Huntingdonshire District Council from Councillor Graham Bull to Councillor Jon Neish; d) Note the substitute member on the Skills Committee for East Cambridgeshire District Council is Councillor Anna Bailey.
1.7	Business Board Allowances	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Consider recommendations relating to the Business Board Scheme of Allowances from the Independent Remuneration Panel; b) Approve the adoption of a Member Allowance Scheme for the Business Board as proposed, including members of the Business Board being eligible to claim mileage for travel to and from meetings of the Business Board; c) Approve the alternative levels of remuneration as set out under the proposed scheme within the Financial Implications section of this report; and e) Approve the backdating of the Member Allowance Scheme to 24 September 2018.

	Part 2 – Finance	
2.1	Budget Monitor Update	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the updated financial position of the Combined Authority for the year. b) Note the status of the audit of the 2018/19 statement of accounts

	Part 3- Combined Authority Matters	
3.1.1	£100m Affordable Housing Programme - Scheme Approvals: July 2019 – Werrington, Peterborough	<p>It was resolved to:</p> <p>Commit grant funding of £3,845,600 from the £100m Affordable Housing Programme to deliver 88 new affordable homes at a site in Werrington, Peterborough.</p>
3.1.2	£100m Affordable Housing Programme - Scheme Approvals Crowland Road, Eye Green, Peterborough.	<p>It was resolved to:</p> <p>Commit grant funding of £875,000 from the £100m Affordable Housing Programme to deliver 25 new affordable homes at a site in Crowland Road, Eye Green, Peterborough.</p>
3.1.3	£100m Affordable Housing Programme - Scheme Approvals Drake Avenue, Peterborough	<p>It was resolved to:</p> <p>Commit grant funding of £1,430,154 from the £100m Affordable Housing Programme to deliver 33 new affordable homes at a site in Drake Avenue, Peterborough.</p>
3.2	Housing Development Company – Approval of Shareholder Agreement	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Shareholder Agreement as detailed in Appendix 1; b) Approve Angle Holding Limited Articles of Association as detailed in Appendix 2; c) Approve Angle Developments Limited Articles of Association as detailed in Appendix 3; d) Approve the composition of Angle Holdings Limited Board of Directors as set out in paragraph 2.6; e) Approve the composition of Angle Development Limited Board of Directors as set out in paragraph 2.8. <p>Furthermore, in order to implement a)-c), authorise and approve:</p>

		<p>f) The Chief Executive and the senior legal officer to complete the necessary legal documentation to implement the above; and</p> <p>g) The Monitoring Officer to amend the Constitution,</p>
3.3	Cambridge Autonomous Metro – July 2019	<p>It was resolved to:</p> <p>a) Approve the increased allocation of £780,000 in 19/20 and £965,000 in 20/21 for the CAM OBC to be funded from the Feasibility studies non-capital budgets including re-profiling from 20/21 to 19/20</p> <p>b) Note the establishment of a Partnership Board with the terms of reference set out at Appendix A</p> <p>c) Note the proposed client-side project management structure</p>
3.4	A428 Black Cat to Caxton Gibbet Consultation Response	<p>It was resolved to approve the proposed consultation response attached at Appendix A, subject to the revisions requested by Board members.</p>
3.5	St Neots Masterplan – Phase 1 Delivery	<p>It was resolved to:</p> <p>a) Approve the allocation of £403k from the non-transport feasibility budget within the Medium-Term Financial Plan to meet programme commitments as part of the £4.1m package of Combined Authority funding approved by the Board in June 2018 to deliver the first phase of the St Neots Masterplan for Growth.</p> <p>b) Approve the re-profiling of the capital expenditure in the Medium Term Financial Plan (MTFP) to match the updated forecast from the delivery partner.</p>

3.6	A Vision for Nature	It was resolved to endorse the Vision for Nature.
	By Recommendation to the Combined Authority	
	Part 4 – Business Board Recommendations to the Combined Authority	
4.1	Growth Deal Project Proposals July 2019 – Local Growth Fund Programme Update.	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the submission of the Growth Deal monitoring report to Government to end Q1 2019/20. b) Approve the proposed creation of a Capital Growth Grant scheme for small businesses using Local Growth Fund (LGF) and approve a £3m pilot programme and for Officers to run a procurement for a provider to deliver the pilot programme.
4.2	Review of Business Board Constitution	<p>It was resolved by a two thirds majority to:</p> <ul style="list-style-type: none"> a) Approve the amendments to the Constitution set out in Appendix 1 and the additional revisions requested during the meeting. b) Authorise the Monitoring Officer to make any consequential changes to the Combined Authority Constitution.

4.3	Alconbury Enterprise Zone Memorandum of Understanding and Enterprise Zone Programme Governance	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Alconbury Enterprise Zone Memorandum of Understanding between CPCA and Huntingdonshire District Council, subject to the removal of the following words at the end of paragraph 6.1.2 “including towards meeting the community and infrastructure demands of the Alconbury Weald development” and to instruct the Director of Business and Skills to negotiate with Huntingdonshire District Council and the Interim Chair of the Business Board to remove the wording; and b) Approval to adopt the proposed Enterprise Zone Programme Terms of Reference and associated governance.
	Part 5 – Skills Committee recommendations to the Combined Authority Board	
5.1	University of Peterborough – Transitional Funding	<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the findings of the request from University Centre Peterborough to continue to fund the activity for the University of Peterborough up until the 1st August 2019. b) Approve the release of £148,304 from the Skills Strategy Implementation budget for 2019/20 to support University Centre Peterborough through the transitional phase.
	Part 6 - Date of next meeting	
6.1		Wednesday 25th September 2019: Kreis Viersen Room, Shire Hall, Cambridge, CB3 0AP.

Notes:

- (a) Statements in bold type indicate additional resolutions made at the meeting.
- (b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

For more information contact: Richenda Greenhill at Richenda.Greenhill@cambridgeshire.gov.uk or on 01223 699171.

BUSINESS BOARD	AGENDA ITEM No: 1.4
23 SEPTEMBER 2019	PUBLIC REPORT

BUSINESS ADVISORY PANEL UPDATE – SEPTEMBER 2019

1.0 PURPOSE

- 1.1 To receive the minutes of the Business Advisory Panel (BAP) meeting on 22nd August 2019 and consider the recommendations made to the Business Board.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of Business Board
Lead Officer:	John T Hill Director Business & Skills
Forward Plan Ref: N/A	Key Decision: No
<p>The Business Board is recommended to:</p> <ul style="list-style-type: none"> (a) Note the minutes of the Business Advisory Panel meeting held on 22nd August 2019; and (b) Consider the recommendations from the Business Advisory Panel as set out in Section 3 of the report. 	

2.0 BACKGROUND

- 2.1 The Business Advisory Panel was formed to fulfil the following functions:
- To serve as a consultative business group that is representative of the business community, to inform the Combined Authority Business Board, Combined Authority and partners on the issues, needs and opportunities facing the Combined Authority area's business community.
 - To consider and review the Local Industrial Strategy and provide practical business feedback and guidance to the Combined Authority on its prioritisation, development and effective implementation.

- To comment to the Combined Authority on the Local Industrial Strategy implementation and the Growth Hub activity.
- To support the Business Board with representation from a local, membership-based business community in a transparent and apolitical manner.

2.2 The BAP held a meeting on 22nd August 2019, of which the minutes are attached as **Appendix 1**. The following recommendations to the Business Board were agreed by the BAP, with supporting documents in **Appendix 2**:

- (i) Support the retention and recruitment of EU workers at all skill levels with settled status documentation filing; upskilling; languages and incentives to stay and encourage others to join; in order to combat the outward flow of workers back to the EU and encourage those that stay to make more use of the qualifications and skills they bring with them as this could improve productivity;
- (ii) Encourage Local Authorities, District Councils, Unitary Authorities and the County Council to follow the CPCA example and make good use of the EU Exit Funds allocated by Central Government for these purposes;
- (iii) Encourage the town twinning principles that would support better business and people collaboration across countries, which has been effective in other regions to promote cooperation and business growth;
- (iv) Note that banks are being more sector focussed on lending and are showing signs of restricting cash advances, taking a stronger conservative approach to risk over this challenging period. UK Export Finance is no longer available for sectors related to fossil fuels due to greening of products and social, environmental impacts, for example;
- (v) Note that there is evidence that HMRC are delaying Tax Refunds and recent concessions on HMRC Import Duty deferral are causing cash flow issues with SME's instead of alleviating same, as banks are required to provide bonds as security which require cash deposits or other security to obtain;
- (vi) Note there is evidence that insurers are refusing to insure due to the Brexit uncertainties;
- (vii) Note requests for events on cyber-crime; fraud online; carbon neutral; high street IT skills training; and
- (viii) Note concerns of rural businesses on water resources; carbon neutral by 2040; and the potential loss of EU funding due on the 1st December 2019.

3.0 SIGNIFICANT IMPLICATIONS

3.1 There are no significant implications.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications.

5.0 LEGAL IMPLICATIONS

5.1 There are no direct legal implications.

6.0 APPENDICES

7.1 **Appendix 1** – Draft Minutes of the BAP Meeting on 22nd August 2019
Appendix 2 – Supporting Documents to the BAP's Recommendations

<u>Background Papers</u>	<u>Location</u>
None	N/A

Business Advisory Panel

Minutes BAP 22/08/19

Present: John Stenhouse (CPCA); Fiona McGonigle (CPCA); Alan Todd (FSB); Charlotte Horrobin (MAKE UK); Hannah Padfield (NFU); Stuart Gibbons (LeMARK); James Sloan (CBI)

Apologies: John Bridge (Chambers); Caroline Hyde (Allia); Simone Robinson (IOD);

Welcome to James Sloan representing the Confederation of British Industry on behalf of Richard Tunnicliffe.

1. Minutes of previous meeting tabled and agreed; matters arising covered in meeting.
2. Matters discussed and recommendations made;
 - 2.1.1. Support the retention and recruitment of EU workers at all skill levels with settled status documentation filing; upskilling; languages and incentives to stay and encourage others to join; in order to combat the outward flow of workers back to the EU and encourage those that stay to make more use of the qualifications and skills they bring with them as this could improve productivity.
 - 2.1.2. Encourage Local Authorities, District Councils, Unitary Authorities and the County Council to follow the CPCA example and make good use of the £2+ Billion EU Exit Funds allocated by Central Government for these purposes.
 - 2.1.3. Encourage the town twinning principles that would support better business and people collaboration across countries, that has been effective in other regions to promote cooperation and business growth.
 - 2.1.4. Note that banks are being more sector focussed on lending and are showing signs of restricting cash advances, taking a stronger conservative approach to risk over this challenging period. UK Export Finance is no longer available for sectors related to fossil fuels due to greening of products and social, environmental impacts, for example.
 - 2.1.5. Note that there is evidence that HMRC are delaying Tax Refunds and recent concessions on HMRC Import Duty deferral are causing cash flow issues with SME's instead of alleviating same, as banks are required to provide bonds as security which require cash deposits or other security to obtain.
 - 2.1.6. Note there is evidence that insurers are refusing to insure due to the Brexit uncertainties.
 - 2.1.7. Note requests for events on cyber-crime; fraud online; carbon neutral; high street IT skills training;
 - 2.1.8. Note concerns of rural businesses on water resources; carbon neutral by 2040; and the potential loss of EU funding due on the 1st December 2019.

3. **AOB;** concern on representation of SME's on the business board; sustainability; promotion of business board and skills board appointments; longevity of Industrial Strategy incl score card; Ox-Cam Arc.

4. Dates of next meetings:

24/10/19 09:30 – 11:30

19/12/19 09:30 – 11:30

20/02/20 14:30 – 16:30

23/04/20 09:30 – 11:30

Signed

Date

S Gibbons (Chair)

Brexit becoming too big for cross-border businesses to ignore

New research commissioned by InterTradeIreland underlines that while Brexit is looming large in the background for businesses, most firms are opting to pay no attention to its potential impact. To read more, go to:

<https://intertradeireland.com/news/brexit-becoming-too-big-for-cross-border-businesses-to-ignore/>

eBay calls for Britain's SME exporters to have a voice in future trade deals

eBay has today released new data highlighting the contribution of UK small and medium-sized businesses to UK exports, and is calling for their voices to be heard in future trade negotiations. To read more, go to:

<https://www.ebayinc.com/stories/press-room/uk/ebay-calls-for-britains-sme-exporters-to-have-a-voice-in-future-trade-deals/>

Trade importing and exporting

Frictionless trade in goods has been built up between the UK and the EU for the last 40 years, facilitated by the integration of rules and processes through the single market and customs union. That facilitation has created efficient and low-cost webs of finely tuned supply chains spanning the continent, relied upon by both consumers and businesses. These supply chains are expected to be severely disrupted by no deal, creating wide-spread economic effects. The IMF, for example, believes that the trade disruptions in no deal would be severe and are estimated to cause in the first and second year, respectively, a decline in UK GDP of 1.4% and 0.8% and a decline in EU GDP of 0.2% and 0.1%¹⁷.

- **Are all parties prepared for the effect of no deal on movement of goods?**
No, and many firms are actually anticipated to be less prepared for no deal in October than in March, not least due to Black Friday and Christmas pressures.
- **What does no deal mean for movement of goods in the long-term?**
Supply chains may settle over time and officials become used to enforcing new processes, but no deal means movement of goods becoming permanently more costly and difficult.
- **Is it possible to have no negative consequences on movement of goods without a deal?**
No, without a deal and significant amounts of joint cooperation, disruption is inevitable.

Customs

A range of new customs requirements will be introduced for firms in the event of no deal, with the immediate and then increasing application of a number of laws regulating importing, exporting and the movement of goods as well as health and safety requirements. Almost all measures that facilitate the trade and transportation of goods that the UK currently has with the EU will fall away, leaving businesses to face burdensome customs procedures, declarations and consequent delays at the border. The government has previously estimated that these would range from 4% to 15% of the cost of goods transported¹⁸, while an OECD study found that documentation and customs compliance requirements, lengthy administrative procedures and other delays can increase transaction costs by between 2%-24% of the value of the goods. The introduction of customs requirements in no deal would have immediate and severe impacts on businesses importing and exporting goods between the UK and the EU.

Day 1: UK firms trading with the EU will suddenly experience significant changes to exporting and importing goods, with goods exports required to go through additional processes or be denied entry into the EU. There will be confusion and impacts on the movement of goods at borders, while some firms may avoid trading goods at all if they have stockpiled.

Month 3-6: Over time, firms' uptake of temporary measures offered by the UK should increase, moving the impact of customs burdens to a degree. However, this is also a time of high risk for firms if the EU decides to enact the financial penalties it is entitled to against firms that make mistakes in their customs paperwork.

Year 1-?: The temporary measures introduced by the UK will eventually be removed, creating another wave of no deal impacts. The burden of customs declarations will become permanent, requiring staff to be employed in unproductive roles – in the public and the private sector – managing new processes instead of growth.

Customs is one of the areas where the UK government has offered the greatest number of mitigations possible, yet this has not been reciprocated and disruption is still anticipated



Current Contingency Plans

What has the UK done so far?

- Developed Transitional Simplified Procedures (TSP) which businesses can apply for, with the aim of reducing the amount of information that importers from the EU need to give on a declaration when goods cross the border. **These measures will allow importers to defer giving a full declaration until after the goods have crossed the border, and to pay any duty owed a month after the import**
- Made £8 million available to help private customs intermediaries and businesses increase their customs capacity to manage no deal, **though these grants are no longer available**
- Published documentation outlining that in a no deal scenario the government will **introduced postponed accounting for import VAT on goods brought into the UK**
- Produced a 'partnership pack' with over 100 pages of guidance for businesses on customs processes and procedures
- Proactively organised stakeholder engagement meetings for a number of businesses and organisations to feed into the UK government's contingency

What more could the UK do?

Renew and properly raise awareness of the Intermediaries Grant Scheme which was supporting businesses to upskill their staff in customs procedures

- Commit to rapidly rolling out a program of trials and tests of new no deal IT systems and procedures – including TSP, online registration portals and the promised deferred accounting system for VAT
- Consider automatically issuing EORI numbers, which are essential for trade, to all VAT registered companies
- Ensure that the new Customs Declaration System (CDS) that is taking over from the old system CHIEF is fully rolled out at all ports ahead of 31st October and is stress tested for handling the increased volume of declarations
- Communicate a clear mechanism for feedback from firms managing the complications of third country customs with the EU for the first time
- Take a pragmatic approach to compliance and liability in the first days following exit as firms adjust to new requirements

Source: What comes next CBI August 2019

People

With an estimated 3.6 million EU citizens living in the UK⁹², 1.3 million UK citizens living in EU Member States⁹³, and thousands of employers who have built their businesses on the ability to easily move staff across the Channel – whether to carry out short-term work, provide 'fly-in-fly-out' services, or go on longer-term secondments – the effect of no deal on people is just as important as the effect on trade. The uncertainty about the impact of no deal on people's everyday lives is so

widespread that 74% of CBI members are extremely or moderately concerned about uncertainty for EU citizens as a result of no deal⁹⁴.

- **Are all parties prepared for the effect of no deal on people?**
No, but the UK Government is more prepared than the EU in the short term.
- **What does no deal mean for people in the long-term?**
It will be more expensive and difficult for people to work, study and live across borders.
- **Is it possible to have no negative consequences on people without a deal?**
No. A deal is needed with the EU to avoid a negative impact for people on both sides of the Channel.

Current residents

No deal would throw into doubt millions of people's ability to continue to live, work and study – as well as their access to healthcare, benefits and social services – wherever they are. It would cause unnecessary uncertainty for hundreds of thousands of families, and confusion as Member States attempt to protect citizens' rights in different ways, to varying degrees and with different deadlines, cut-off dates and grace periods. Additionally, the current lack of coherent provisions means more work for individuals – and employers looking to support their staff – as they try to understand the differences a no deal Brexit means.

The UK has provided a sensible grace period to allow current EU citizens resident in the UK to apply for 'Settled Status', but the arrangements for UK citizens in the EU are less clear

Day 1: There will be no change for EU nationals already in the UK or for UK nationals in most Member States, as the majority of governments are providing grace periods to register. However, UK nationals in some Member States may encounter problems on Day 1 of no deal if they have not already registered in advance in the appropriate way.

Month 3 to 6: UK nationals may be required to register in the Member State they are resident in by a set deadline to retain their pre-Brexit rights. For example, Germany has provided a 3 month grace period for applications and France has provided a 6 month time frame.

1 Jan 2021: The grace period for EU nationals in the UK comes to an end. If EU citizens resident in the UK before exit day have not received 'Settled Status' or 'Pre-Settled Status' by then, they will encounter problems when applying for a new job or trying to rent a house.

The UK has gone a long way to protect the rights of EU nationals in the event of no deal, but a much more complex situation faces UK nationals living in the EU



Current Contingency Plans

What has the UK done so far?

- Launched the EU Settlement Scheme which provides a route for every single EU national who is resident in the UK by Brexit day to apply for protection for their rights and a route to permanent settlement
- Provided an entitlement to healthcare for EU citizens resident in the UK on exit day to continue to be able to use the NHS as they do now for a temporary period until December 2020
- Stated that EU citizens in the UK who have already had their professional qualifications recognised in the UK by exit day will be fully protected. Applications for recognition which have been made, but not yet received a decision, will be concluded under the same rules as far as possible
- Confirmed that UK nationals resident in the EU will still be entitled to continue receiving their UK State Pension, and that this will be uprated across the EU in 2019 to 2020
- Reassured UK nationals resident in the EU that they will continue to get their benefits – including child benefit and disability benefit – transferred to them in the EU as before

What more could the UK do?

- Immediately issue reassurance, in a high profile way, to EU citizens in the UK that their rights and eligibility for the EU Settlement Scheme will continue to be guaranteed in the event of no deal
- Renew the direct marketing campaign for the EU Settlement Scheme to raise awareness in the run up to exit day
- Continue to keep FCO guidance for UK nationals in the EU regularly up to date, including signposting and providing links to relevant EU Member State information and webpages
- Keep key GOV.UK pages regularly up to date including 'Important EU Exit information for UK nationals if there's no deal' and individual 'Living in Country' guides. Updates should include the headline 'what you should do' at the top of each national page

Source: What comes next CBI August 2019

Could twin towns bring Britain back together?

By [Ben Glover](#)



An unlikely pair. Image: Wikimedia Commons.

Twin towns: an irrelevant novelty to most of us, a peculiar name on a village's welcome sign. But could linking one British town to another – a domestic reinterpretation of this long-standing European practice – help bring Britain back together in a time of national crisis?

Born in the aftermath of World War II, town twinning aimed to foster cooperation and solidarity across Europe. Communities entered formal alliances, nurturing friendships and shared histories. Coventry [forged](#) links with Dresden and Volgograd, then Stalingrad, marking the devastation faced by their citizens during the war.

The democratisation of Greece, Spain and Portugal during the 1970s led to a new wave of twin towns across Europe, as did the fall of the Soviet Union a decade later. Since its inception, the focus of town twinning has been on uniting people through relationships. It is a testament to the initiative's success that many of these remain to this day; Coventry recently [enjoyed](#) a performance at the city's cathedral by Volgograd's children's choir.

While European relations have improved since the 1940s, unity at home has received less attention. As a result, Britain is riven with deep economic, political, educational and cultural divides. These fault lines are increasingly determined by geography, with a growing gap between our big metropolitan cities and almost everywhere else.

In comparison to other European countries, we face staggering levels of regional inequality; [six of the ten](#) poorest regions in northern Europe can be found in the

UK. As [outlined](#) by Alan Milburn, the government's former social mobility tsar, "the country seems to be in the grip of a self-reinforcing spiral of ever-growing division. That takes a spatial form, not just a social one."

These divisions are poisoning our body politic. As Adam Smith [argued](#) in *The Theory of Moral Sentiments*, putting yourself in someone else's shoes is vital for developing a moral compass; in doing so "we conceive ourselves enduring all the same torments, we enter as it were into his body, and become in some measure the same person with him..." But this is difficult when we have little interaction or experience of those with opposing views.

This is increasingly likely in geographically polarised Britain, with the places we live dominated by people who think alike. Our political leaders must commit time and energy to bridging these divides, just as the leaders of Europe did in the aftermath of the Second World War. By forging links between different parts of the country, a new era of domestic town twinning would do just that.

School exchanges between sister towns would offer an opportunity for children to be exposed to places, people and perspectives very different to their own. This would allow future generations to see things from an alternative and opposing perspective. It may also embed from a young age an awareness of the diversity of experiences seen by people across our highly unequal country.

MPs would be encouraged to spend time in their constituency's sister town. First-hand exposure to voters in a very different part of the country would surely soften the views of even the most entrenched parliamentarian, making for a more civil debate in the Commons. Imagine the good this would do for Parliament today, with Brexit gridlocked because of the unwillingness of MPs to compromise.

In 2016 the Carnegie UK Trust [launched](#) its Twin Towns UK programme, a pilot linking twenty towns across the UK to examine how they might develop together. Emerging benefits [include](#) a reduction of insularity and a greater awareness of the bigger picture. Its focus was not on bridging economic divides – towns with similar socioeconomic characteristics were twinned – but initial outcomes from the scheme suggest a broader programme of domestic town twinning could have a powerful impact.

Looking further back, Camden has been [twinned](#) with Doncaster since the 1980s, a relationship that unionised Camden Town Hall workers [forged](#) in a display of solidarity with striking miners during the 1980s. Funds were [raised](#) to feed families of striking workers at the pit and Camden locals even [drove north](#) to deliver presents at Christmas. Though the relationship appears less active today, it serves as a powerful reminder of twinning's capacity to bring people from very different places together.

As we prepare for Brexit it's imperative that we protect existing twin town relationships with our European partners. This is of vital importance when we know sadly many of these are under threat from [austerity](#) and gloriously un-PC [mayors](#). But we should look to breathe new life into these traditions too, where possible. Domestic town twinning would do just that: a step towards bringing Britain back together, just as a continent was reunited after the devastation of war.

Ben Glover is a researcher at the think tank Demos.

BUSINESS BOARD	AGENDA ITEM NO: 1.5
23 SEPTEMBER 2019	PUBLIC REPORT

OXCAM ARC UPDATE – SEPTEMBER 2019

1.0 PURPOSE

- 1.1 To provide Business Board members with an update on the OxCam Arc activities, specifically around the work of the Productivity Group and collaboration between the Combined Authority Business Board and the three Local Enterprise Partnerships.

<u>DECISION REQUIRED</u>	
Lead Members:	Austen Adams, Interim Chair of the Business Board & Portfolio Holder for Economic Growth
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: N/A Key Decision: No	
<p>The Business Board are asked to note current plans by the OxCam Productivity Group to develop three Strategic Outline Business Cases for input into the Spending Review, concerning:</p> <ol style="list-style-type: none"> 1. A Business Growth Service 2. An Inward Investment Service 3. An Integrated Skills Network 	

2.0 FULL SCOPE OF COLLABORATION ACROSS THE OXCAM ARC

- 2.1 In addition to the top-level governance structures of the Arc which include a Leaders & Chairs Group and a CEOs Group, there are four thematic working groups covering:
- (a) Productivity
 - (b) Place-making
 - (c) Connectivity and Infrastructure
 - (d) Environment
- 2.2 The CEOs of the three LEPs and CA Business board hold a rotating chair for the Productivity Group which also involves representation from various Local Authorities and the Arc Universities Group.

- 2.3 This update covers only the activity of the Productivity Group, as being most relevant to the remit of the Business Board.
- 2.4 It summarises the Productivity Group's priorities and sets out its ambitions to work across the Arc and in particular across the LEPs and Combined Authority to raise business growth, productivity, innovation, skills and exports.

3.0 BACKGROUND

- 3.1 Government has recognised the economic opportunity presented by the Arc as significant. But also, that it will not happen by itself, and will take concerted and coordinated work by both central government and the local areas to ensure that the Arc remains an economic asset of international standing over the coming decades, whilst retaining and improving a high-quality natural environment for future generations.
- 3.2 From a productivity perspective, the Arc contains over two million jobs, generating £111 billion of annual Gross Value Added (GVA). It is a highly productive and prosperous region with global strengths in science, technology and high-value manufacturing.
- 3.3 The Arc as a whole is a strongly knowledge-intensive economy. It contains ten diverse universities, including the Universities of Oxford and Cambridge, two of the world's greatest and most internationally recognisable centres of learning, and a network of cutting-edge science parks, research institutions, businesses and incubators.
- 3.4 It is also home to two globally renowned life sciences clusters in Oxford and Cambridge – the most productive life sciences clusters in Europe, which already compete internationally with the global leaders in San Francisco and Boston, Massachusetts.
- 3.5 The Arc is additionally a world leader in advanced manufacturing, with particular specialisms in high-performance technology, space and satellite technology and motorsport engineering.

4.0 PRIORITIES

- 4.1 The four Local Industrial Strategies have set out how the Combined Authority will work with the three LEPs on three priority areas:
 - 4.1.1 The development of a single innovation ecosystem, led by the universities to connect the numerous knowledge assets to deliver higher R&D investment, UK leadership in transformative technologies, and a continued post-EU Exit future as a global centre for research, including:
 - (a) Collaborating more intensely across the Arc, identifying and delivering joint R&D projects and providing a pipeline of talent;
 - (b) Developing a network of 'Living Laboratories' that both trial technologies Arc and address the Grand Challenges.

- (c) Channelling foreign investment into the knowledge assets and projects that will make the biggest impact on Arc-wide and UK growth.

4.1.2 The development of an effective skills ecosystem, better able to offer communities' access to higher-paid employment and businesses access to the workforce they need to achieve a doubling in our economy, including:

- (a) Working more effectively with local employers to increase apprenticeship uptake across the Arc, supporting employers to optimise use of their Apprenticeship Levy to drive social mobility;
- (b) Working more effectively with local employers to tailor the role of T-Levels using local labour market intelligence;
- (c) Establishing an Arc-wide skills marketplace, connecting businesses with skills providers and people to generate more apprenticeships, STEM skills, T-Levels and technical degrees.

4.1.3 The development of a world-leading ecosystem for high-growth businesses that effectively removes the barriers to growth, particularly in accessing the support firms need to scale-up rapidly, securing the right finance and access to the right commercial premises to grow, including:

- (a) Supporting firms to commercialise technologies, grow to scale, and export more;
- (b) Developing a Global Growth Network of internationally-focused businesses, scale-ups and sectoral clusters, able to foster a breakthrough growth region and a driver for the UK economy.
- (c) Establishing an Arc-wide growth support marketplace that targets the firms that can deliver the biggest shift in growth, productivity and exports across our cities and towns.

5.0 NEXT STEPS

5.1 Through the Arc Productivity Group, the three LEPs and the Combined Authority have commissioned, through the Arc Governance Process and budgets for cross-Arc working, the production of Strategic Outline Business Cases to be submitted into the Spring 2020 HMG Spending Review. These reflect the three priority themes specified above and include:

- (a) A Business Growth Service incorporating growth coaching and access to growth finance, targeted towards the firms able to generate greatest growth, spread more inclusively across the places with the highest absorptive capacity for growth and need for greater equality of access to higher value jobs, career opportunities and economic prosperity.
- (b) An Inward Investment Service that can operate across the whole geography to achieve a step change in foreign direct investment, especially into inward investment knowledge-based assets such as R&D, high-tech incubators and accelerators, innovation launchpads and flagship projects such as the New universities for Peterborough and Milton Keynes.

- (c) An Integrated Skills Network delivering greater choice for vocational learning, inspiring the workforce of the future to work in high growth sectors within the Arc. Establishing a functional apprenticeship levy marketplace to increase apprenticeships, employment placements and T-Levels.

6.0 SIGNIFICANT IMPLICATIONS

- 6.1 There are no significant implications.

7.0 FINANCIAL IMPLICATIONS

- 7.1 There are no direct financial implications.

8.0 LEGAL IMPLICATIONS

- 8.1 There are no direct legal implications.

9.0 APPENDICES

- 9.1 None.

<u>Background papers</u>	<u>Location</u>
Local Industrial Strategy	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818886/Cambridge SIN-GL_E_PAGE.pdf



THE BUSINESS BOARD

BUSINESS BOARD	AGENDA ITEM No: 2.1
23 September 2019	PUBLIC REPORT

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY DIGITAL SECTOR STRATEGY

1.0 PURPOSE

- 1.1. This paper introduces the presentation from the Strategy authors to outline the context of the report and the delivery of the strategy.
- 1.2. The presentation and following discussion aim to support the Board on formally adopting the strategy and prioritising the recommended interventions from the Digital Sector strategy that was first noted by the Board in March 2019.
- 1.3. Any interventions agreed as priority for delivery by the Business Board will require Officers to work up business case and explore funding options before bringing back to a future Business Board meeting for recommendation to Combined Authority Board for funding.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair Business Board
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: N/a	Key Decision: No
<p>The Business Board is recommended to:</p> <p>Agree the adoption of the Digital Strategy with delivery of key priority interventions and authorise Officers to work with partners on business cases for delivery and funding sources.</p>	

2.0 BACKGROUND

- 2.1. The Cambridgeshire and Peterborough Combined Authority Digital Sector Strategy was commissioned in November 2018 after procurement exercise that appointed Cambridge Wireless (CW) to deliver the strategy.
- 2.2. The strategy was developed during period December to April by CW working closely with Anglia Ruskin University and involved consultation with multiple organisations and businesses involved in the Digital sector, with final drafted strategy shared in March 2019.
- 2.3. CW led the development of the Digital Strategy, at the request of the Combined Authority Board. Local authorities, public sector partners, and the business community have been engaged in creating a strategy that sets out how the growth of the Digital sector will underpin the area's vision as a leading place in the world to live, learn and work.
- 2.4. The final strategy has 9 recommendations derived from the consultations and feedback, refined, tested with stakeholders and consultees and cross-referenced against other strategies including the Local Industrial Strategy [LIS]. This strategy has contributed content into the final LIS and Business Board is asked to consider the presentation given by CW on the recommendations in this strategy and after discussion agree prioritising the key interventions to be brought forward for delivery by the Combined Authority and/or local partners.

DIGITAL SECTOR LEADING OUR FUTURE ECONOMY

- 2.5. Also in line with the LIS, Cambridgeshire and Peterborough Independent Economic Review (CPIER), and before that the East of England Science and Innovation Audit in 2017, this Advanced Materials & Manufacturing Strategy identifies and supports the growth of the DIGITAL sector that contributes to our future economy.
- 2.6. This includes strategic growth sectors in knowledge intensive industries, Manufacturing, Agri-Tech, Life Sciences as well as Digital sector itself. The LIS established that each strategic growth sector should be supported by the Combined Authority to produce a sector strategy which provides in-depth analysis of the opportunities and makes recommendations for the public sector and private sector to consider going forward.
- 2.7. The Digital sector strategy contains a range of considerations beyond the LIS, CPIER, SIA and therefore presentation from the authors and discussion at this Board meeting to determine which interventions the Business Board will prioritise.

HOW THE STRATEGY WILL BE DELIVERED

- 2.8. There are 9 High level domain areas with recommendations/interventions outlined but can be condensed into a total of six categories which subject to Business Board prioritisation and proposed business case coming forward to the Combined Authority for approval via the Business Board at a future meeting. Much longer-term delivery interventions will need to be considered through the lens of future funding sources but also businesses and partners leading the sector need to be encouraged to jointly self-fund some of the interventions.
- 2.9. The priority recommendations/interventions set out in the Digital Strategy are categorised into six high-level categories of recommended delivery:
1. **Networking** is a solution for businesses to meet potential suppliers, partners and customers.
 2. The supply of a sufficiently **skilled workforce** across all levels of the digital sector is critical to the success of this region.
 3. The region needs to act now to make its **digital infrastructure** internationally competitive and to provide the platform needed for local businesses to innovate.
 4. Cambridgeshire & Peterborough's GVA growth targets do not exist in isolation. The digital sector operates in an increasingly connected, collaborative and competitive national and **international environment**.
 5. The colocation of businesses and the provision of affordable **space** within which start-ups can seed and grow is essential for the establishment of effective knowledge transfer systems, accelerating the growth of the digital sector and increasing its impact on vertical markets.
 6. Finally, the region has a huge opportunity to cement its position as global centre of expertise in the development and commercial exploitation of **Artificial Intelligence technology**.

3.0 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications as the recommendations discussed in this Digital Strategy, and the interventions prioritised to take forward to explore delivery, will require business cases to be worked up by partners or Officers which would then be presented to the Business Board and CA Board for subsequent approval..

4.0 LEGAL IMPLICATIONS

- 4.1 There are no direct legal implications.

5.0 SIGNIFICANT IMPLICATIONS

5.1 There are no significant implications identified.

6.0 IMPLICATIONS FOR NATURE

6.1 None


7.0 OTHER SIGNIFICANT IMPLICATIONS

7.1 None

8.0 APPENDICES

8.1. Appendix 1 – Digital sector strategy

<u>Background papers</u>	<u>Location</u>
Cambridgeshire & Peterborough Digital Strategy	C&P Digital strategy
Cambridgeshire and Peterborough Independent Economic Review (CPIER)	http://www.cpier.org.uk/
Cambridgeshire & Peterborough Local Industrial Strategy (LIS)	C&P LIS



MARCH 15, 2019

A DIGITAL SECTOR STRATEGY FOR CAMBRIDGESHIRE & PETERBOROUGH

CW (CAMBRIDGE WIRELESS) & ANGLIA RUSKIN UNIVERSITY

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DRIVING REGIONAL PRODUCTIVITY THROUGH TECHNOLOGICAL INNOVATION, ADOPTION & INCLUSION

INTRODUCTION FROM THE CHAIRMAN

The Digital Sector Strategy represents a unique evidence base founded in primary research and secondary data, and extensive consultation with experts. It builds on strong foundations that already exist in Cambridgeshire & Peterborough, and our recommendations aim to further enhance this region as the global centre of cutting-edge and inclusive technology innovation. We will create and adopt the technologies of tomorrow, offer businesses exceptional talent at all levels and provide a highly networked ecosystem that has global impact, helping to establish the region covered by the Cambridge and Peterborough Combined Authority (CPCA) as the preferred base for firms from across the world.

CPCA [has set a target](#) of doubling its economic output as measured by GVA over 25 years, which means an annual growth rate of 2.81%. This is an ambitious target, and is above the average growth rate for the last 3 years (2013-14 to 2016-17) across all sectors of 2.25% (CBR). The creation and widespread adoption of digital technology are essential to achieving this ambitious goal. The recommendations set out in this Digital Sector Strategy will stimulate an already strong ICT sector in Cambridgeshire & Peterborough and will, we believe, provide a major contribution to meeting this growth target.

The digital sector is a significant part of the region's economy and has more than twice the employment in digitally intensive sectors compared to the rest of the country¹. Cambridgeshire and Peterborough's digital sector represents 8.84% of the region's total business turnover and 8.22% of employment², compared to a national share of 3.5%. But, more than this, digital is an enabling sector whose products and services offer increased productivity to all other industries – including two of the region's most important: agriculture (centred on the rich land of the Fenlands) and manufacturing (the largest sector in the region totalling 23% of business turnover)³. We aspire for Cambridgeshire & Peterborough to be an area where digital technologies that are created here support every city, town, village and business to become prosperous in their own rights.

The Digital Sector Strategy's aims are to:

1. Significantly increase the contribution of the technology sector to the region's GVA;
2. Stimulate faster growth in other sectors through early and easy adoption of cutting-edge technology;

¹ *The Digital Sectors After Brexit*, Frontier Economics for techUK. Note that 2014 employment figures show 3.5% of the total UK workforce on 'Digital Producing' industries, this compares to 8.22% of employment in the Information Technology and Telecoms industries within the Combined Authority in 2014/5 according to CBR figures], 2.35 times more.

² CBR 2016-17

³ The same Frontier Economics report states that 'Digital Using' parts of the national economy represent 6.7% of all employment, adding this to the 'Digital Producing' figure of 3.5% means that over 10% of all employment in the UK is due to the digital industries.

3. Ensure that the benefits of technology-based business growth is spread beyond the Greater Cambridge cluster and across the entire region;
4. Support the overarching aim of the Combined Authority in making Cambridgeshire & Peterborough a leading place in the world to live, learn and work.

The report has been developed according to a number of principles, agreed by the Commission, that should be borne in mind when reading these pages:

1. Each area within CPCA is different. Each will want activities tailored to its micro-economy and business culture, and each requires its own benchmark for what needs to be attained. This report offers actionable recommendations, but it is down to the deliverer to make these recommendations specific, measurable, actionable, realistic and timely - and localised.
2. We wish to build a flourishing marketplace. In a perfect economic environment market forces should theoretically suffice to promote higher productivity. However, where the market is functioning imperfectly, due to lack of information, network effects, spillovers, or other causes, this strategy recommends actions that local Government might take to help to create the conditions where enterprise can thrive.
3. Digital technology can increase productivity but it needs to be conducted in a manner that is sustainable, equitable and that enhances quality of life among citizens of Cambridgeshire and Peterborough.

Networking has been identified as an essential underpinning for every one of the key domain areas covered in the strategy. The astonishing growth of the Cambridge sub-region has been enabled in part by a culture of business-driven networks, where local organisations nurture ecosystems of expertise and mutual support. The Commission believes that it is important to foster a similar approach, albeit adapted to the unique demands and business culture of individual districts, and we suggest that practical steps can be made to quickly grow and support networking activity for the Digital Sector.

Having reviewed the evidence, the Commission believes that this region is well-placed for digital success. With Greater Cambridge at the area's heart as an unparalleled centre of technological innovation, the region's manufacturing and logistics hubs offering a clear pathway for IoT and robotics testbeds, and Fenland offering great potential for trialling advanced agri-tech services, the potential for digital GVA growth is unmissable. But we must not be complacent. The Public and Private sectors need to act now to install the digital infrastructure, ensure talent pipelines, and create networking and knowledge transfer systems so that we can compete effectively. The rest of these pages provide recommendations to that end.



David Cleevely,
Chair of The Digital Sector Strategy Group

EXECUTIVE SUMMARY

Cambridgeshire & Peterborough's digital sector is a valuable contributor to the region's economy, delivering almost 9% of the region's revenue and over 8% of its employment. Furthermore, it is the fastest growing knowledge intensive sector, increasing 10.4% in the three years to 2017 (compared to 6.6% for the knowledge intensive sector as a whole). The vibrancy and technological expertise of the region's digital sector is a significant reason for the region's international attractiveness, and it can boast double the % of ICT jobs from foreign direct investment projects to the national average (47% compared to 21, DIT statistics).

This success needs to be recognised and celebrated alongside the considerable contributions of other regional priority sectors, such as Life Sciences.

The digital sector is not without its challenges. At the time of writing Brexit is a threat, particularly to the already critical supply of skilled talent. The region's digital and built infrastructure is struggling to match the ambitious growth plans of local Government and businesses. Furthermore, the sector's stellar growth has focused on Greater Cambridge and risks being choked unless steps are taken to deliver affordable housing and fluid transport systems. And despite historic success with foreign direct investment, the region faces missing out to more organised regional competitors for international attention.

Opportunities should not be missed to encourage digital businesses to take advantage of establishment elsewhere in the region, and to nurture closer links with other important regional sectors, such as agriculture, manufacturing and logistics. This represents a significant opportunity to influence regional GVA: since it is not just the digital sector that benefits from the growth, but all vertical markets who can increase efficiency and deliver advanced benefits to customers through the adoption of cutting-edge technology products and services such as big data, artificial intelligence, robotics and next generation connectivity solutions.

To this end, a Digital Sector Strategy has been pulled together to help the public and private sector capitalise on the existing strengths of Cambridgeshire & Peterborough's digital sector. Throughout, we have been aware that the continued growth will only happen if the collective efforts of the business community can be harnessed. We also recognise that the CPCA and National Government can have a substantial convening power, and provide essential, targeted, pump priming funding that can enable these efforts to succeed.

There are detailed recommendations against each of the nine domains covered in this report. However, these can be condensed into six key areas:

1. **Networking** is a solution for businesses to meet potential suppliers, partners and customers. It enables knowledge transfer and the inspiration of new ideas. It generates demand for a new technology. It is the best way to introduce new businesses and international interests to a local technology scene. For these reasons, networking has emerged throughout the development of this report as an essential underpinning for each of the domain areas. The highly developed

Greater Cambridge culture of business-driven networks, where local organisations nurture ecosystems of expertise and mutual support, is one to be learned from and the methodology deployed across the region but always according to the unique demands and business culture of individual districts. Such a programme will require the expertise and contacts of existing networking firms, the support of local community influencers, and seed funding from the Combined Authority to de-risk delivery

2. The supply of a sufficiently **skilled workforce** across all levels of the digital sector is critical to the success of this region. Businesses already perceive a talent shortage, and this is only going to increase as vertical industries adopt increasing quantities of advanced technologies into their processes. Attention is needed by both the public sector and the business community to the development not only of STEM skills but also their creative use. We need to focus on the region's young people, on the retention of existing talent, and the upskilling of the adult population to enable all citizens to thrive in a digital world.
3. The region needs to act now to make its **digital infrastructure** internationally competitive and to provide the platform needed for local businesses to innovate. To attract cutting-edge businesses and significant international investments, we need to demonstrate world-class digital ambitions, with an aspirational target of at least 1GB/s broadband speeds across the region by 2022. No future infrastructure or housing project in the region should take place without installing the requirements of ultra-fast internet connectivity.
4. Cambridgeshire & Peterborough's GVA growth targets do not exist in isolation. The digital sector operates in an increasingly connected, collaborative and competitive national and **international environment**. We have great strengths, but when seeking foreign direct investment from firms also looking at California, Shenzhen and Singapore we need to do far more to stand out. The region needs to develop a professional and strategic approach to increasing and retaining foreign direct investment, as well as supporting local intermediary organisations to develop relationships with overseas technology hubs and encouraging partnerships and networking between companies.
5. The colocation of businesses and the provision of affordable **space** within which start-ups can seed and grow is essential for the establishment of effective knowledge transfer systems, accelerating the growth of the digital sector and increasing its impact on vertical markets. We support the idea of creating sector-led business hubs outside of the city of Cambridge that enable effective – and affordable – clustering of similar technology businesses alongside potential customers and partners. We also recommend an evaluation of the use of public buildings and empty high street premises with a view to establishing more vibrant co-working spaces and digital skills zones throughout the region.
6. Finally, the region has a huge opportunity to cement its position as global centre of expertise in the development and commercial exploitation of **Artificial Intelligence technology**. This strategy urges the coordination of public and private sector energies to ensure this opportunity is grasped.

TOP LEVEL RECOMMENDATION CHART

Domain area	Recommendation(s) for public sector	Recommendation(s) for private sector
Artificial Intelligence	CPCA to tailor specific actions and priorities to cement the national leadership position of the region for the national AI Grand Challenge.	Private sector and investors to play their part in the development of a regional AI strategy.
Talent & Skills	Ensure high quality digital education and training opportunities, ranging from digital literacy, advanced programming skills up to doctorates, as well as reskilling programmes, are available and accessible for young people, teachers and adults throughout the region.	Develop a region-wide culture of employer engagement in education to support the development of STEM skills in the next generation and showcase potential career routes with a scheme that involves the participation of employers.
Technology Infrastructure	Deliver a step-change in technology infrastructure ambitions by with aspirational targets of 1Gb/s broadband speeds across the region by 2022. Put in place internal processes that will support the private sector in turning Cambridgeshire & Peterborough into a world-class smart region at pace.	Inspire demand for advanced technology infrastructure by bringing citizen and business communities together and raising awareness of next-generation infrastructure capabilities through networking and workshops. Campaign for faster and more ambitious roll-out.
Supply Chain	Sponsor a researched programme of networking activities that helps the region to increase understanding of the value chains of digital businesses and to help remediate potential gaps and bottlenecks in the local supply market.	Provide more opportunities for digital businesses to meet local suppliers, and vice versa, through targeted face to face networking opportunities and intra-regional programmes.
High Impact Networking	Ensure appropriate physical space, connections and channels are available for businesses to network by transforming underutilised public infrastructure into co-working spaces or learning zones and supporting landlords in installing co-working spaces in high street spaces.	Established networking firms to deliver high quality events across the region while collaborating to build a comprehensive ecosystem of business development and knowledge transfer.
Entrepreneurship	Ensure the presence of high-quality, supportive spaces for start-ups to grow across the region, along with financial stimulus that encourages growth in desired areas, for example business establishment in non-Cambridge hubs, or digital businesses focused on products/services for Manufacturing / Agriculture / Logistics.	Established networking firms and universities to deliver knowledge sharing programmes across the region that match different stages of start-ups, from birth to scale-up, along with networking and mentoring opportunities.
Investment & Finance	Create a CPCA Digital Innovation Fund (similar to the Northern Powerhouse Investment Fund), supported by the British Business Bank, for digital start-ups with a particular focus on convergence activities and hubs outside Cambridge city.	Increase the visibility and accessibility of financial information & support throughout the region.
Application in industry	Conduct a study to understand the value chains of digital businesses and potential gaps and bottlenecks in the local supply market. Share this information publicly.	Establish Leadership Councils for Technology in Manufacturing, Logistics and Agriculture that identify opportunities and blockers and generally accelerate the deployment of technology in industry.
International: Foreign Direct Investment and trade	Build a compelling Greater Cambridge cluster brand and marketing programme that promotes the Cambridge value proposition and strategically targets major investments complementary to the regional technology ecosystem, ensuring that an effective inward investment sales and fulfilment function is being delivered across the region.	Support local intermediary organisations to develop relationships with overseas technology hubs and encourage partnerships and networking between companies. Encourage large regional technology companies to participate in outbound missions to demonstrate the expertise of the region, alongside cohorts of new exporters.
Knowledge Transfer	Develop Launchpads where the applications of new digital technologies and solutions can be trialled. These Districts should feature the latest technology infrastructure, should be accessible for start-ups and should focus on industries that are important to the Combined Authority economy, such as Manufacturing or Agriculture.	Working with existing communities for technology / industry, deliver more inter-sector networking opportunities across the region that connect industry with the technology community and academia.

METHODOLOGY

The recommendations within this strategy are evidence-based and leverage both primary and secondary, quantitative (facts, reports, databases, survey) and qualitative (survey, meetings, interviews, reports) sources of data.

COMMISSION

The Commission provided scope to the strategy, input and qualified ideas within the separate focus areas and provided comment and sign-off on the overall strategy document. The Commission was selected to be representative of the domains under consideration.

Commission		Supporters	
David Cleevely (Chair)	Raspberry Pi	John Hill	CPCA
Anne Bailey	Form the Future	Steve Clarke	CPCA
Richard Baker	GeoSpock	Daniel Thorpe	CPCA
Jon Bradford	The Bradfield Centre	Secretariat	
David Connell	University of Cambridge	Eleanor Brash	CW (Cambridge Wireless)
Peter Cowley	The Invested Investor	Bob Driver	CW (Cambridge Wireless)
Professor Diane Coyle	University of Cambridge	Dr. Jan Storgårds	Anglia Ruskin University
Dr Matthew Day	Anglia Ruskin University	Amy Wilson	Anglia Ruskin University
Professor Emanuele Giovannetti	Anglia Ruskin University	William Davies	Anglia Ruskin University
Noelle Godfrey	Connecting Cambridgeshire		
Faye Holland	Cofinitive		
Henk Koopmans	Huawei UK R&D		
Stephen Pattison	Arm		
Heather Richards	Transversal		
Shailendra Vyakarnam	Cranfield University		
Ann Wardle	Opportunity Peterborough		

SECONDARY DATA

The report references publications and data that are considered complementary to this strategy's primary data and provide a representation of the existing state of the digital sector in the region.

We are particularly grateful for the support of the Cambridge University Centre for Business Research, whose quantitative data, which informed so much of the CPIER report, also provided much of the underpinning for this report.

BUSINESS SURVEY

A survey was conducted between Monday 3 December 2018 and Friday 11 January 2019 to ascertain regional priorities, needs, obstacles and recommendations. There were 106 respondents from 94 different organisations in the following districts within the CPCA geography:

- **Greater Cambridge** – 39 respondents
- **Peterborough** – 17 respondents
- **Fenland** – 2 respondents
- **Huntingdonshire** – 6 respondents
- **South Cambridgeshire** – 23 respondents
- **East Cambridgeshire** – 6 respondents
- **External (but neighbouring) to CPCA** – 11 respondents

The survey assessed 11 key “domains”, identified by the Commission and detailed later in this report. These domains are:

- Entrepreneurship
- Investment & Finance
- High Impact Networking
- Knowledge Transfer
- Links within the UK
- Talent & Skills
- Foreign Direct Investment
- International Trade
- Application in Industry
- Digital Infrastructure

Two of these domains (Foreign Direct Investment & Links within the UK) were later merged with two other domains (International Trade & Knowledge Transfer respectively). The results of the survey were analysed according to the dimensions of the business that responded. In particular:

1. The geographic location was filtered according to six areas: Greater Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire and Peterborough
2. The business position within the technology supply chain: ie whether a business is a creator, supplier, buyer, or unconnected.

These details are elaborated through this report and provide an essential component in our development of a tailored digital strategy that allocates resources efficiently, according to real

existing needs, where intervention exerts the strongest impact. The insights have been explored and qualified by the Commission.

SCOPE

1. **Definitions.** For the scope of this strategy, we define digital technology as:
 - a) The development and supply of software, hardware and connectivity solutions
 - b) The promotion of digital literacy and the ability for consumers and business to benefit from new digital services
 - c) The demand for, and application of, new digital technology innovations into industry.

We recognise that CPCA is developing separate strategies for life sciences, advanced manufacturing and agriculture. These sectors are users of ICT and digital technologies and major players in the knowledge intensive sector; however we are primarily focused on increasing the effectiveness of businesses within the ICT sector.

2. **Geography.** For the purpose of analysing the secondary datasets, this strategy has defined the Cambridgeshire and Peterborough regions as the postcodes within the six local authority districts that make up the Combined Authority area.
3. **Infrastructure.** We understand that housing and transport is being considered as part of a separate review. This strategy will not make recommendations in that area, other than to stress at the outset that if the digital sector is to thrive, necessary physical infrastructure must be in place to support high quality growth.
4. **Brexit.** Several domains under consideration in this Strategy are significantly impacted by Brexit, for example Talent & Skills, or Foreign Direct Investment. The outcome of Brexit is, at the time of writing, unclear. Recommendations related to Brexit-related challenges will not be made in this strategy other than to ask of local Government that they consider its implications and work with local business to smooth the transition to a post-Brexit Cambridgeshire & Peterborough.

BACKGROUND

Cambridgeshire and Peterborough Combined Authority (Mayoral) was formed in 2017 and consists of five district councils: Cambridge City, East Cambridgeshire, Fenland, Huntingdonshire, and South Cambridgeshire, one unitary authority, Peterborough, and one county council, Cambridgeshire.

The region broadly breaks into three distinct economic zones: the agricultural richness of the Fens that manages 50% of the UK's Grade 1 land; the young and rapidly expanding manufacturing hub of Peterborough and the technology (including digital & life sciences) centre of Greater Cambridge and South Cambridgeshire which produces the highest number of patents per 100,000 people in the UK⁴.

A key feature of the region is that there is no substantially developed large city, and therefore the region lacks the digital, transport and office infrastructure which highly urban environments offer. Around a quarter of the population lives in market towns such as Wisbech (pop. 32,489), St Neots (31,165), Yaxley (9,174) and Sutton (3,816)⁶, the remainder in the main hubs of Peterborough, Huntingdon and Cambridge or in surrounding villages and countryside.

Economic growth has been, to date, higher in Cambridgeshire & Peterborough than in the rest of the East of England or the UK; this has been driven primarily through business expansion in Cambridge and South Cambridgeshire. Technology multinationals are investing in the area, including most recently Amazon, AstraZeneca and Samsung. According to the [2018 Tech Nation Report](#), companies are investing in the Greater Cambridge region due to the prevalence of highly skilled talent, its world leading academic institutions and its prized culture of knowledge transfer. Yet availability of talent is also flagged in the report as a key issue for the area – because the growth rate of supply does not match that of demand and because competition is exacerbated by the world-wide appeal of the existing local talent pools.

Across all sectors, the largest home-grown companies come from outside the digital sector, with Manufacturing (Marshall's), Utilities (Anglian Water) and Agriculture (Hilton Food, G's) featuring highly. The productivity of these

CPCA - Largest companies ⁵	Turnover 2016-17
Marshall Motor Holdings PLC	£1.90Bn
Illumina Cambridge Limited	£1.51Bn
Osprey Acquisitions Limited (Anglian Water)	£1.24Bn
Hilton Food Group PLC	£1.23Bn
Arm Limited	£1.18Bn
Qualcomm Technologies International, Ltd.	£1.16BN
Mundipharma Medical Company Limited	£554M
Hexcel Composites Limited	£498M
G'S Group Holdings Limited	£444M

⁴ Centre for Cities, Cities Outlook 2018

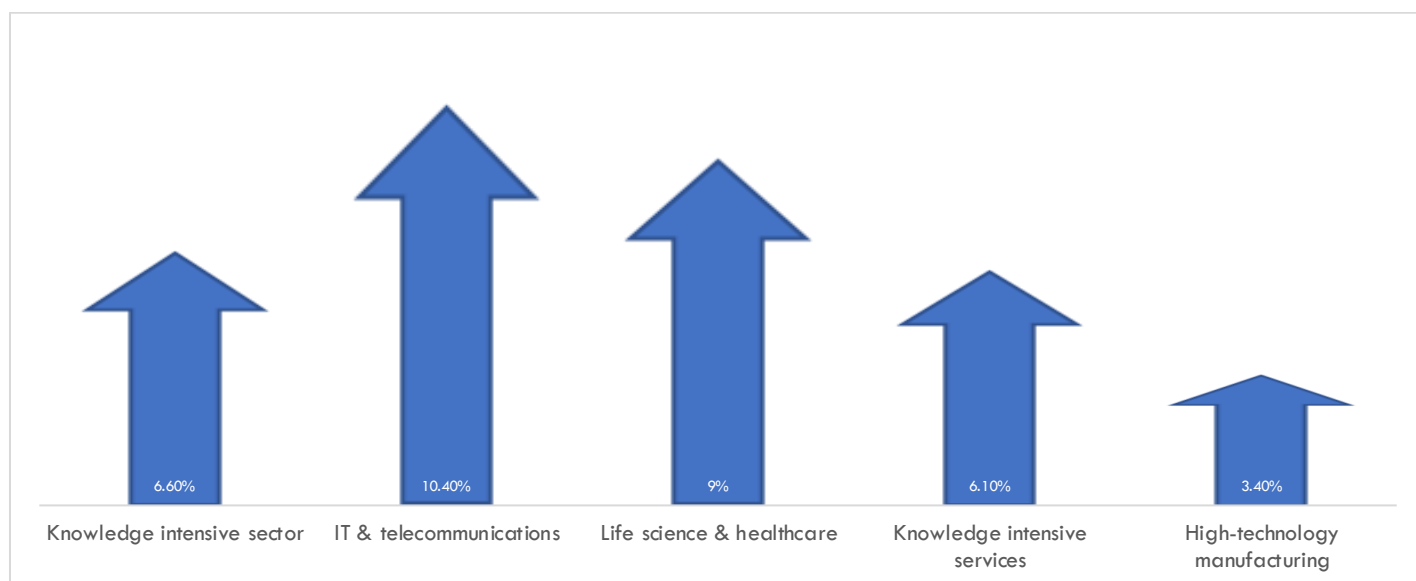
⁵ Data from [Cambridge Cluster Map](#), based on CBR. List includes companies headquartered, or with offices, in Cambridgeshire & Peterborough.

⁶ Data from 2011 census and refers to Build Up Areas

organisations are, however, greatly influenced by new digital technologies created by the ICT sector such as sensors or artificial intelligence.

Nationwide, the digital sector contributed £130.5bn to the UK economy in 2017, accounting for 7.1% of UK GVA and increasing by 7.3% since 2016. This is faster growth than the GVA for the total UK economy, which increased by 4.8% since 2016⁷. Employment in the digital sector in 2017 comprised of 1.5 million jobs, a 16% increase on 2011. This compares to a 9% increase in the total number of jobs in the UK⁸. Regionally, the digital sector is the fifth largest revenue generator, accounting for 8.22% of total employment and 8.84% of turnover (CBR).

From CBR data we can see that the average growth rate of the Knowledge Intensive sectors in the CPCA areas in the past three years was 6.6%. The CPCA's disaggregated revenues growth rates of the different subsectors forming the Knowledge Intensive economy reveal a more nuanced dynamic: IT & telecommunications grew at 10.4%, life science & healthcare at 9%, high-technology manufacturing at 3.4% and Knowledge Intensive Services at 6.1%. So, the largest subsector, high technology manufacturing, is also the one that grew at the lowest rate in the past years, and IT & telecommunications grew the fastest. 44.4% of ICT and Telecommunications employment for the region is centred in Greater Cambridge.



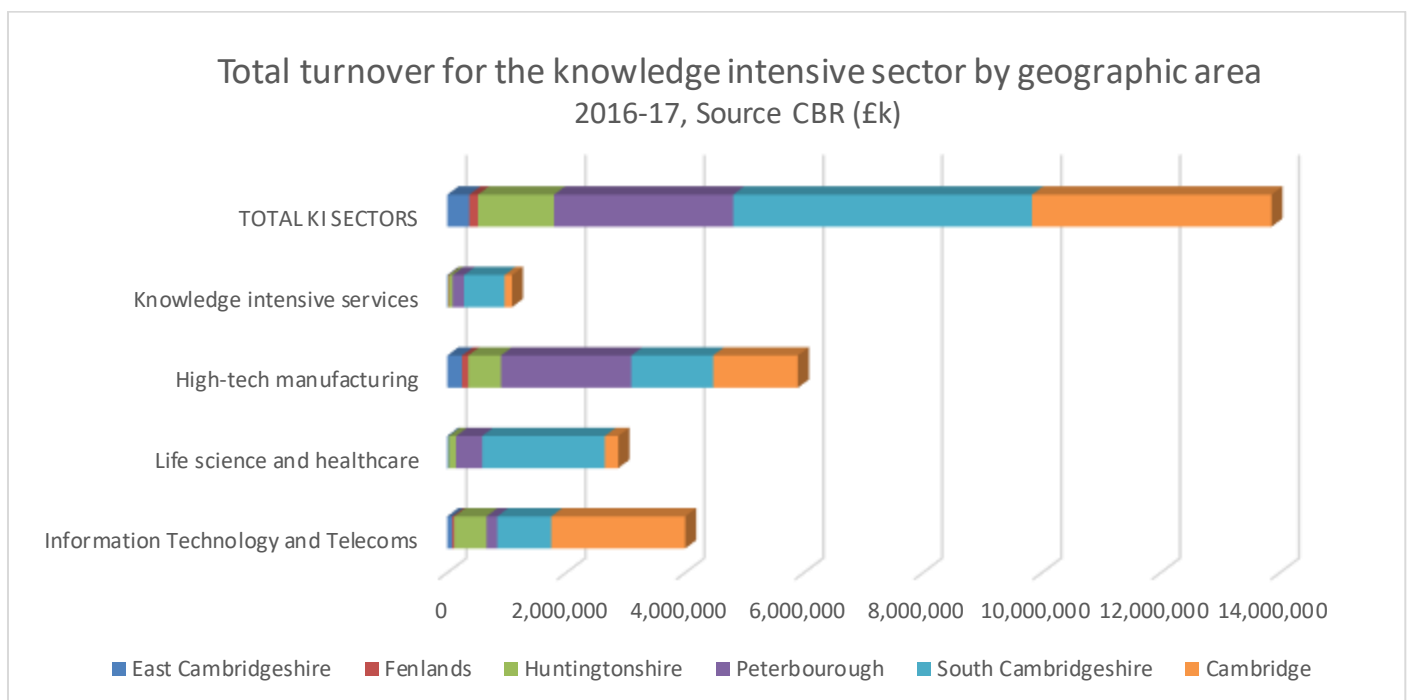
The figure below details the distribution of the turnover of the CPCA knowledge intensive sector, in 2017, subdivided by district. Focussing on the IT & telecommunications subsector, it shows that over 56% of the sector turnover in 2016-17 was based in Greater Cambridge and 23% in South

⁷ [DCMS Sectors Economic Estimates 2017: GVA](#)

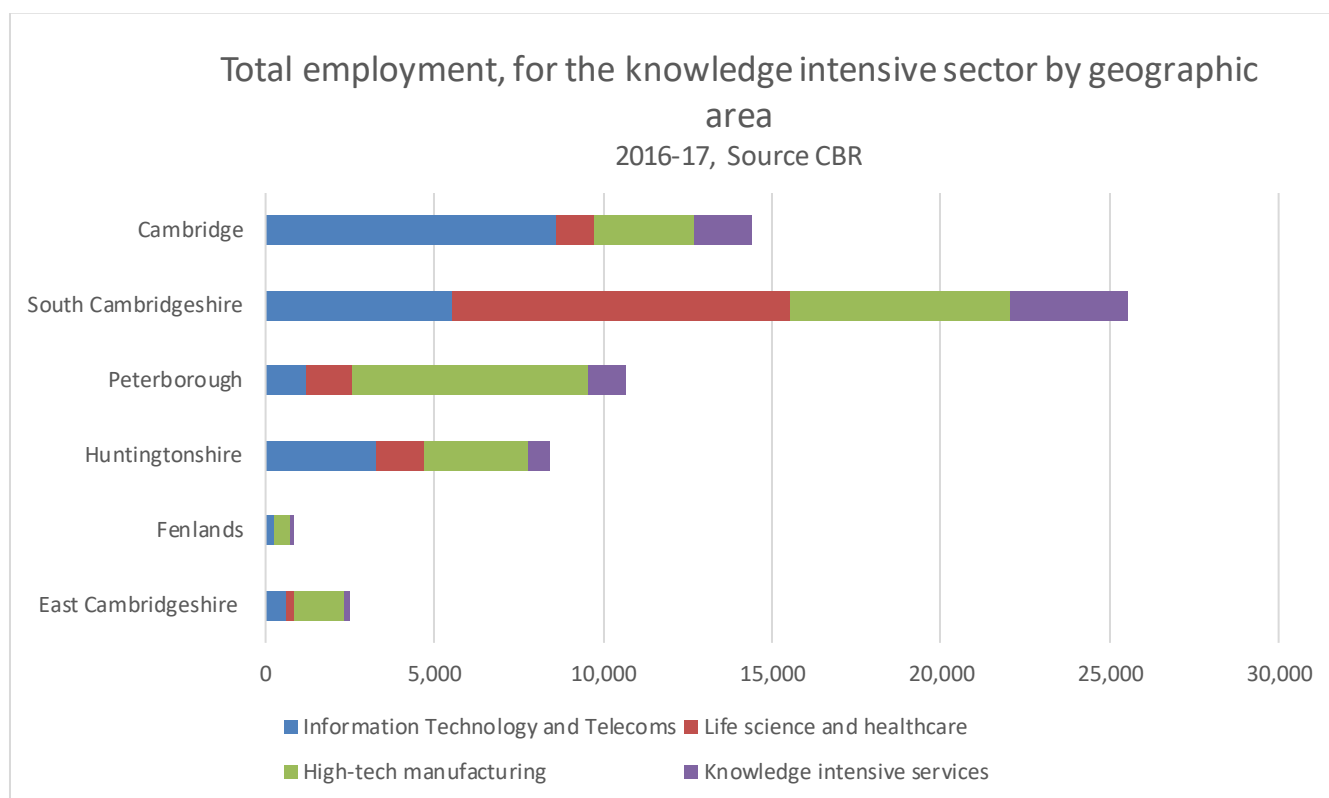
⁸ [DCMS Sectors Economic Estimates 2017: Employment](#)

Cambridgeshire while only 1% was generated in Fenland (as highlighted in the subsequent pie charts).

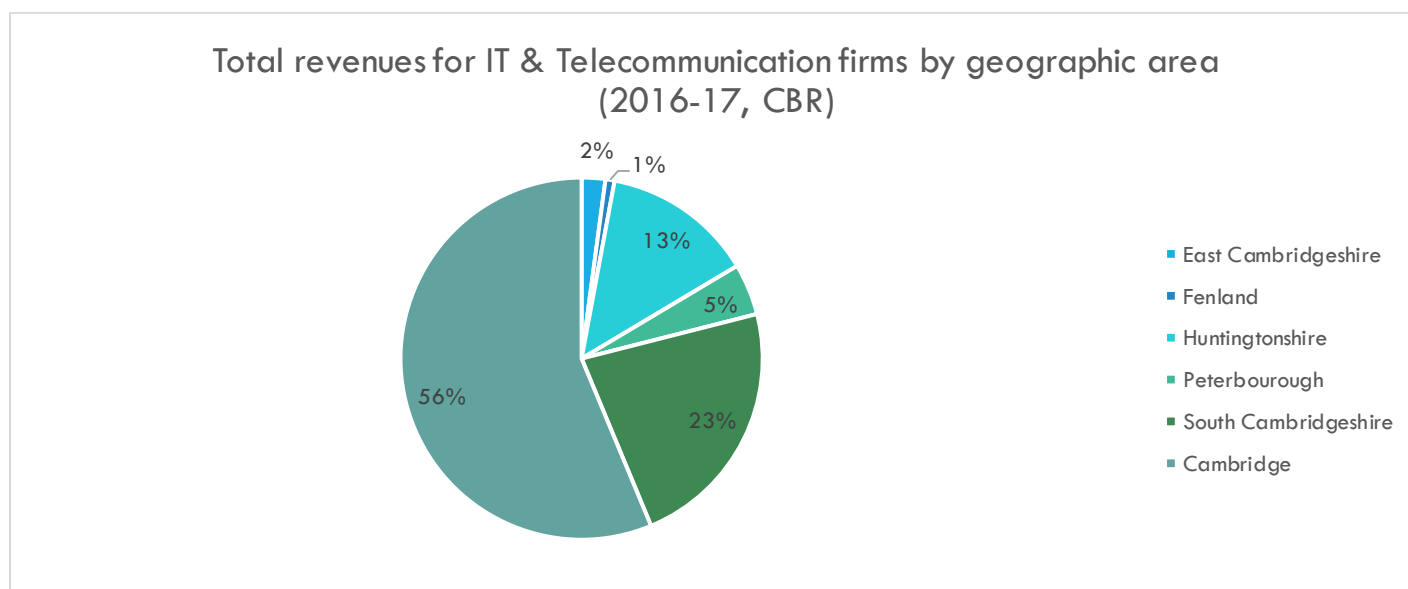
From the same graph, we can see that across all knowledge intensive industries, 29% of revenue during the same time period was generated in Greater Cambridge and 36% South Cambridgeshire, with still only 1% from Fenland. Peterborough claims a significant portion of knowledge intensive revenues (22%) due to the prevalence of high-technology manufacturing in the region.



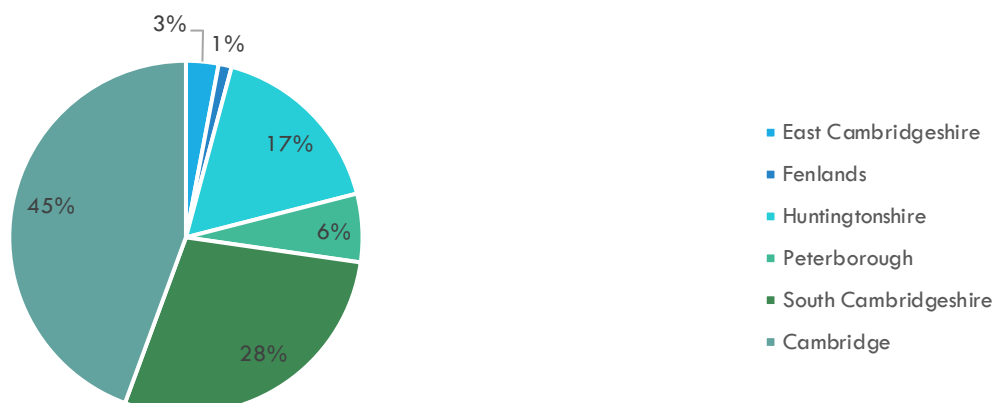
The table below shows employment figures by sector, broken down per region.



Extracting the data for just the IT & Telecommunications sector as the focus of this report, it can be seen that Greater Cambridge and South Cambridgeshire combined drew in 79% of total regional revenues for the ICT & Telecommunication sector, while Fenland produced 1%.



Total employment for the IT & Telecommunications sector by geographic area (CBR, 2016-17)



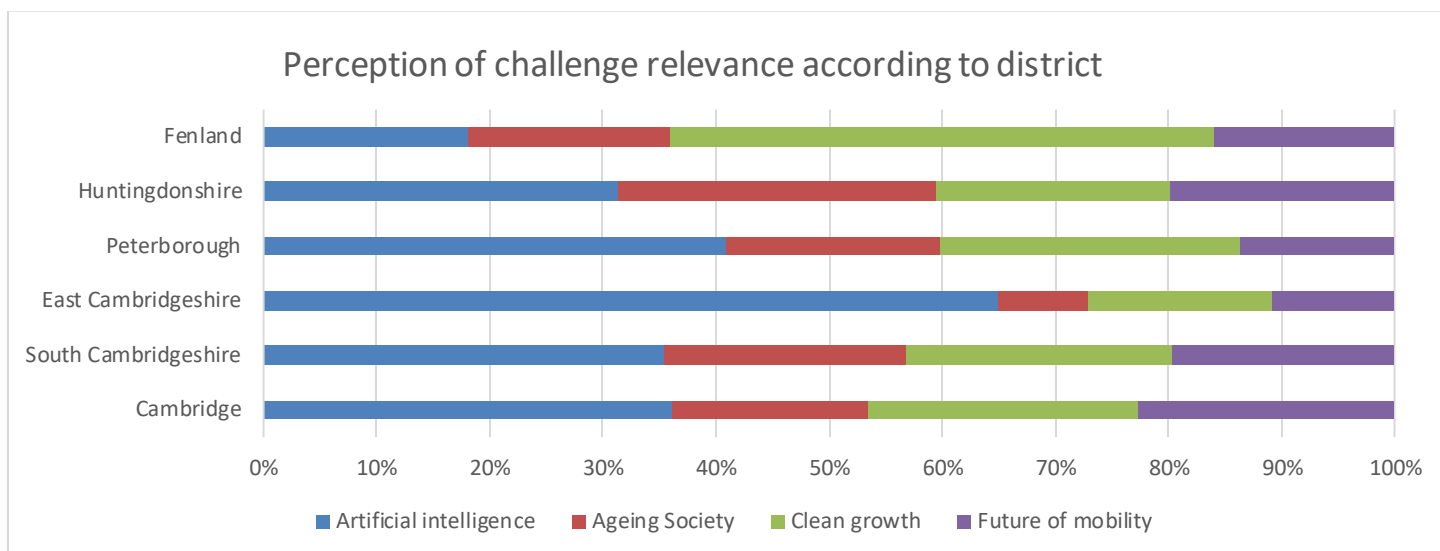
THE GLOBAL TECHNOLOGY SECTOR IN 2040

Cambridgeshire & Peterborough is well-positioned to be a global powerhouse in technology development and adoption. The region's unique portfolio of assets includes world-class academic institutions, a highly qualified pool of talent, a hub of multinational R&D centres and excellent facilities and support for networking. The opportunities for collaborating with Fenland's agricultural firms and Peterborough's manufacturing businesses are substantial.

However, maintaining this position in a rapidly developing global marketplace depends on the community understanding where this industry might be in 25 years' time, so that we can invest now in preparing the conditions for digital success.

In [Autumn 2012](#), The Department for Business, Innovation and Skills announced an investment of £600M in the eight great technologies that support UK science strengths and business capabilities. These technologies were selected because the UK already has world-leading research in these areas, they have a range of applications across a spectrum of industries and they have the potential for the UK to be at the forefront of commercialisation. They include big data, satellites, robots & autonomous systems, synthetic biology, regenerative medicine, agri-science, advanced materials and energy storage.

This was followed in 2018 by the selection of four grand challenges that form the centrepiece of the [Government's Industrial Strategy](#): Artificial Intelligence (AI) and data, ageing society, clean growth and the future of mobility. Within the Digital Sector Strategy Business Survey, respondents believed that Artificial Intelligence was the Grand Challenge against which Cambridgeshire and Peterborough is best able to align itself, although in Fenland there was a preference for Clean Growth. These findings clearly reflect the current specialisation of these two areas; Greater Cambridge with its high presence of businesses in the digital technology sector, and Fenland with its focus on agriculture expressing the potential this sector has for clean growth.



It is estimated that embedding AI and Data Science across the UK, while displacing some existing jobs, skills and professions, will create thousands of good quality jobs and drive growth to the tune of adding £232bn to the national economy by 2030⁹. Artificial intelligence was also the UK's fastest growing sector, with investment hitting a record £736m last year at an increase of 47 per cent compared to 2017¹⁰. Certainly, the prowess of this region in AI is demonstrated by the continued and significant overseas investments by global Tech giants, with Samsung and JD.com being just the latest examples, alongside homegrown players such as Darktrace, Prowler.io, Geospock, Speechmatics and many more.

If CPCA is to select a Grand Challenge against which the region could competitively align itself, the combination of the region's strength in artificial intelligence and the high growth potential of the market makes AI the obvious choice.

Nationally significant steps have been taken to develop an Office for Artificial Intelligence, with an Artificial Intelligence council which brings together respected leaders in the field from across academia and industry.

Regionally there is a great opportunity to coordinate world beating academic Innovation Research Centres along with globally significant corporate giants to encourage the development of new applications of AI, interoperability between AI systems, and to identify barriers to growth, and opportunities for collaboration on common issues - for example on data trust and ethics.

We recommend that the Combined Authority takes further advice on tailoring specific actions and priorities from this and other related strategy reports to boost and cement the national leadership position of the region in the Artificial Intelligence Grand Challenge.

⁹ [Industrial Strategy, November 2017](#)

¹⁰ [Artificial Intelligence Industry in the UK 2018, Deep Knowledge Analytics](#)

CONDITIONS FOR DIGITAL SUCCESS

At the outset of this research project, the Commission agreed to categorise results to eleven domain areas, each of which are deemed to be central to the creation of a highly productive digital sector and have been used as the foundation for our research.

Entrepreneurship ENT	Links within the UK UK	Export Strategy EXP
Investment & Finance INV	Talent & Skills TAL	Adoption within Industry IND
High Impact Networking NET	Foreign Direct Investment FDI	Digital Infrastructure DIG
Knowledge Transfer KNO		Supply Chain SUP

The Government's [Industrial Strategy](#) outlines five foundations of productivity: People, Place, Innovation, Ideas, Business Environment. Each of these relates to one or more of the domains under analysis in this report, as outlined in the table below.

	ENT	INV	NET	KNO	EXP	FDI	TAL	UK	IND	DIG	SUP
People											
Place											
Innovation											
Ideas											
Business Environment											

Of course, none of the domains stand alone, as these five foundations of productivity provide the key linkages amongst them. Innovations, and their impact on productivity, often emerge from the ICT-centric innovation ecosystems composed by people, carrying ideas, interacting in business environments that are rooted in places¹¹. Stimuli to one domain have the potential to generate multipliers and ripple effects in closely related areas. To this end, it is important to consider how the domains inter-relate and to consider where resources might be most effectively applied to have the most significant impact.

The table below models the relationships between domains and suggests that investment in High Impact Networking, Talent & Skills, Digital Infrastructure and Application in Industry have the potential to deliver the most wide-reaching effects:

Recommendations applied to this domain...	...will have a positive impact on this domain										
	ENT	INV	NET	KNO	EXP	FDI	TAL	UK	IND	DIG	SUP
ENT											
INV											

¹¹ Giovannetti, E. (2017) "Digital Divide and Digital Multiplier: A Paradigm Shift through Innovation", in Lehr, W. and Shamafat, A., eds. "ICT-Centric Economic Growth, Innovation and Job creation" International Telecommunication Union, Geneva, ISBN, 978-92-61-24411-8

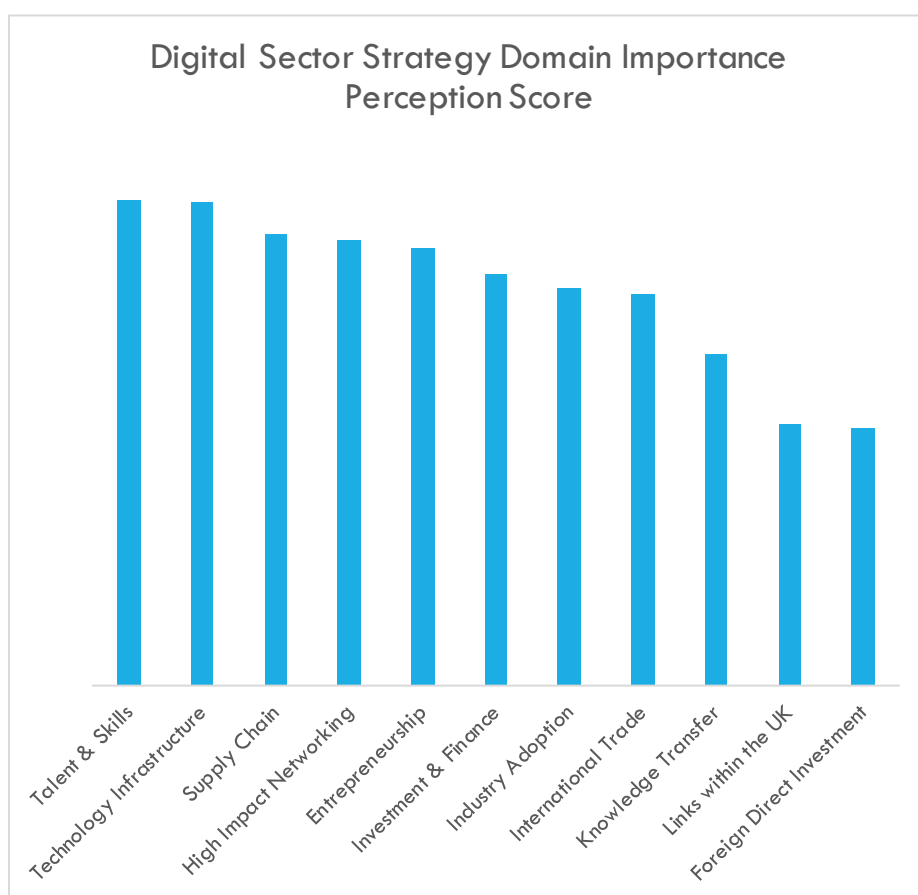
NET											
KNO											
EXP											
FDI											
TAL											
UK											
IND											
DIG											
SUP											

For each domain, an importance perception score has been obtained through the survey of 94 local businesses during which respondents were asked to select the three most relevant items for the future growth of the digital sector in the region. These are arranged by priority in the graph below:

Talent & Skills and Technology Infrastructure were perceived as having more significance than other domains, whereas Links within the UK and Foreign Direct Investment were perceived as less important. The Strategy team merged Foreign Direct Investment with International Trade to create an “International” chapter. Similarly, “Links within the UK” was merged with “Knowledge Transfer” as it was felt that the emerging themes were extremely closely aligned.

For each domain, evidence has been gathered from both primary and secondary resources.

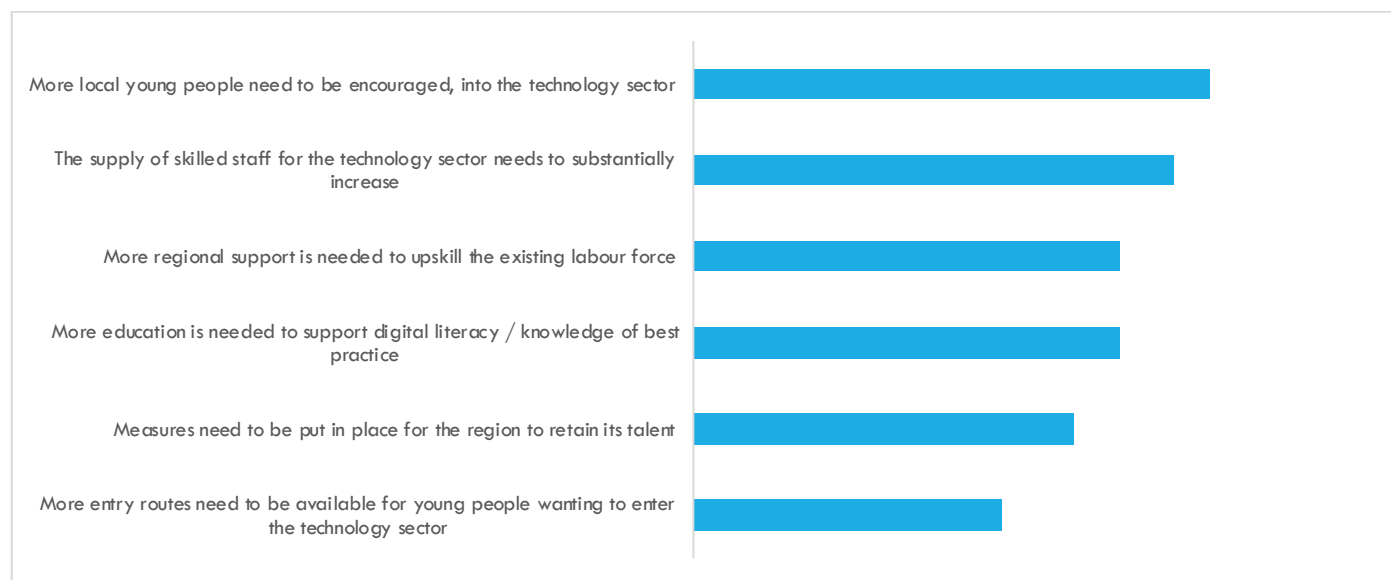
A chapter is dedicated to each with our vision for where we should be, an overview of local perceptions uncovered in the Business Survey, recommendations for how this domain can be developed supported by a brief background on its current state in Cambridgeshire & Peterborough.



TALENT AND SKILLS

VISION

We believe that the region needs to deliver an economy for the modern world founded on significant investment in skills and education, where the digital labour force meets the needs of business at every stage of development. The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/ 5)
More local young people need to be encouraged, into the technology sector	4.57
The supply of skilled staff for the technology sector needs to substantially increase	4.53
More regional support is needed to upskill the existing labour force	4.47
More education is needed to support digital literacy / knowledge of best practice	4.47
Measures need to be put in place for the region to retain its talent	4.42
More entry routes need to be available for young people wanting to enter the technology sector	4.34

INSIGHTS FROM QUALITATIVE ANALYSIS OF SURVEY DATA	INSIGHTS FROM QUANTITATIVE ANALYSIS OF SURVEY DATA
See Annex 1	See Annex 2
<p>It is important to understand the demand and supply of skills (SUP) in the region and the changing needs of now and future. Growing skills pool 'organically' is a long process, from school, to universities (KNO) and to the job market (IND). The respondents refer to very different types of talent needed in the region (UK), e.g. via apprenticeships, BSc, MSc, or PhDs but one pattern is that a skilled person is a 'specialist' in a certain topic of need, mostly in STEM subjects (DIG). Respondents widely talk about investing (INV) more in the youth but not to forget 'adult' groups and teaching the teacher. When it comes to locations where talent is</p>	<p>A closer look at the geographic distribution of the answers, to this question shows that all six domains related to Talent and Skills are perceived as significantly important for the Fenland, four of them were selected in Huntingdonshire, three in Peterborough, two in South Cambridgeshire and one each for Cambridge and South Cambridgeshire. In detail, reporting these hypotheses in a decreasing number of districts for which the issue of high relevance we have that:</p> <ul style="list-style-type: none"> • "The supply of skilled staff for the technology sector needs to substantially increase" is of key relevance to every region.

<p>or wants to be, Greater Cambridge (UK) will remain a magnet but the idea of offering a high quality and balanced life style of the work force is becoming a selling argument of a location. Brexit is bringing uncertainty in recruiting talent (FDI).</p>	<ul style="list-style-type: none"> • “More education is needed to support digital literacy / knowledge of digital best practice” is a relevant issue everywhere apart from East Cambridgeshire • “More entry routes for young people wanting to enter the technology sector need to be available” is a relevant issue in all districts apart from East Cambridgeshire. • “More local young people need to be encouraged to enter the technology sector”, was a priority for Fenland, Huntingdonshire, South Cambridgeshire and Peterborough • “More regional support is needed to up-skill the existing labour force” in Fenland, Huntingdonshire, and Peterborough • “Measures need to be put in place for the region to retain its talent better” is of key relevance in Fenland, Peterborough and Greater Cambridge
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RECOMMENDATIONS	
For public sector	For private sector
<p>Ensure high quality digital education and training opportunities, ranging from digital literacy, advanced programming skills up to doctorates, as well as reskilling programmes, are available and accessible for young people, teachers and adults throughout the region.</p> <ul style="list-style-type: none"> • Review the capabilities of schools and colleges to deliver high quality STEM education and, where necessary, establish programmes to upskill and appropriately resource teaching staff and classrooms. • Use the £12M CPCA devolved budget to deliver accessible, high quality and consistent adult education programmes related to digital skills, or through employer-led initiatives incentivised by public funding. These programmes should cover both basic digital literacy and more advanced digital proficiencies. • Combined Authority to encourage digital businesses to co-create a bid to form a local Digital Skills Partnership, aligned with UK Digital Strategy (by April 2019) • Establish Peterborough University as a high quality higher education establishment that engages with local business to deliver skills in line with the regional economy and aligned to the latest technology trends. • Increase the availability and attractiveness of alternative routes into the sector for example through effective use of apprenticeship grants. • Provide high quality space that promotes digital skills generation, for example by building on the current work underway reforming libraries into skills and co-working zones. • Conduct an in-depth study to understand the extent and causes of digital exclusion / illiteracy across the area. 	<p>Develop a region-wide culture of employer engagement in education to support the development of STEM skills in the next generation and showcase potential career routes with a scheme that involves the participation of employers.</p> <ul style="list-style-type: none"> • CPCA to identify employer engagement programmes that are already effective, and rally increased industry support to it through brokerage, facilitation and incentivisation (such an incentive programme is especially important for SMEs who struggle to financially validate youth and early career engagement, but can offer value). • As businesses are encouraged to participate more with schools, ensure schools have the resources and processes in place to channel business engagement. • Resource region-wide after-school provision for young people with activities that teach relevant STEM skills • Encourage diversity in STEM school volunteers. • Establish and promote an effective communication route between digital business and education to ensure that the curriculum supports the needs of business.

BACKGROUND ON TALENT & SKILLS IN CAMBRIDGESHIRE & PETERBOROUGH

The contribution of digital skills to the performance of the economy is substantial. Skills are the foundation of productivity. Cambridgeshire and Peterborough has a slightly higher than national average qualification level but if we break that down to a district level, there is a large amount of variation. The city of Cambridge has a much higher than average rate of citizens with an NVQ4 and above, while Fenland has a far lower than average proportion of citizens with NVQ1 and above, and 25% of the citizenship of Peterborough have no qualifications¹². This, perhaps, is why in the Business Survey the respondents from Fenland stressed the importance of all hypotheses.

	Cambridgeshire And Peterborough (%)	Cambridge (%)	Huntingdon (%)	Peterborough (%)	Fenland (%)	Great Britain (%)
NVQ4 And Above	39.0	46.9	25.3	20.2	14.9	38.6
NVQ3 And Above	55.7	63.0	36.6	31.0	25.3	57.2
NVQ2 And Above	72.9	72.2	52.7	47.2	42.3	74.7
NVQ1 And Above	85.4	79.4	78.3	62.6	57.9	85.4
Other Qualifications	8.0	6.2	7.8	8.9	6.9	6.9
No Qualifications	6.6	12.2	21.2	25.0	31.2	7.7

The Regeneris Skills report¹³ identifies that education deprivation is concentrated in the north-eastern areas of the CPCA. Peterborough and Fenland in particular have acute and extensive challenges, with both featuring in the highest decile for education deprivation in England. There are also small clusters in Huntingdon and Greater Cambridge, although less significant in scale. By contrast, significant areas of Huntingdonshire, South Cambridgeshire and Greater Cambridge are in the lowest decile for education deprivation. This is broadly suggestive of a north - south split, with improved outcomes the further south one observes. It suggests that effort invested in improving Talent & Skills, starting with aspirations, for local young people should start in Peterborough, Fenland and relevant clusters in Huntingdon and Greater Cambridge.

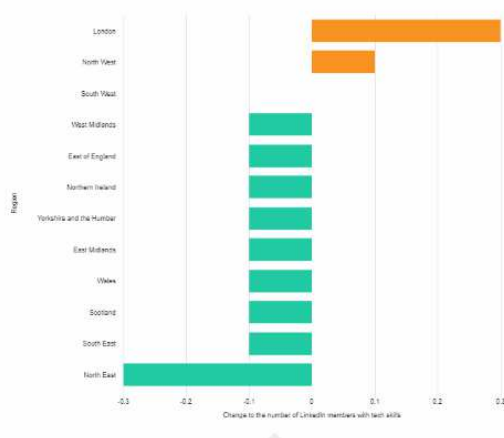
The same report found that there is a smaller proportion of young people that are in full-time education in the CPCA area (24%), compared to England as a whole (33%). Though Cambridgeshire & Peterborough is known for its world-class further and higher education establishments, particularly those centred on Greater Cambridge, this is not necessarily translating into higher education participation amongst the resident population. There are also regional differences in 18-24 year olds in full time education.

¹² [Nomis: Official Labour Market Statistics](#)

¹³ link to be provided when released.

7) London and the North West saw a net gain of members with tech skills in 2016. Other regions in the UK experienced a net loss of members with these skills.

Inter-regional migration of LinkedIn members with tech skills – LinkedIn members moving in for every 1 LinkedIn member moving out



The only regions in the UK to experience a net increase in digital skills in 2016 were London and the North West – all other areas saw a net decrease¹⁴. With its proximity to London, and the often higher salaries and broader opportunities offered by the capital, Cambridgeshire & Peterborough needs to act fast to compete by ensuring that the region offers the highest quality of life along with attractive opportunities for training and career progression. This includes building the physical infrastructure to deliver affordable housing for young people and minimise commuting time. A critical indicator of the impact and lack of affordable housing and cost of leaving is provided by the very low ranking of Greater Cambridge for graduate retention; the city currently ranks 38th out of 44 cities studied by HESA. Improvements to this figure is challenging but also provides an opportunity for the non-Cambridge districts in CPCA that, if suitably integrated into the networked economy, will be able to provide an appealing basin of attraction for the present outflows of graduates.

The impact of Brexit on the recruitment and retention of digital talent is a threat. Research by TechUK conducted in 2016¹⁵ revealed that 45% of digitally intensive job vacancies were filled by international workers, and a quarter of the employees in the software and computer industry are foreign-born, with the majority coming from the European Union. To ensure that Cambridgeshire and Peterborough's businesses can continue to recruit from the highest quality talent pool and maintain international competitiveness, local Government must prioritise supporting businesses to efficiently handle recruitment and retention challenges that arise from Brexit.

The [2016 Digital Skills Report](#) showed that the shortage of digital skills represents a key bottleneck for industry and is linked to one in five of all vacancies. At that point, 72% of large companies and 49% of SMEs were suffering technology skill gaps. There is a clear mismatch in the types of skill offered by the labour market and those demanded. In different ways and to different extents, this

¹⁴ [Tech Nation: Mobility of Talent](#)

¹⁵ [The Digital Sectors after Brexit, TechUK, January 2017](#)

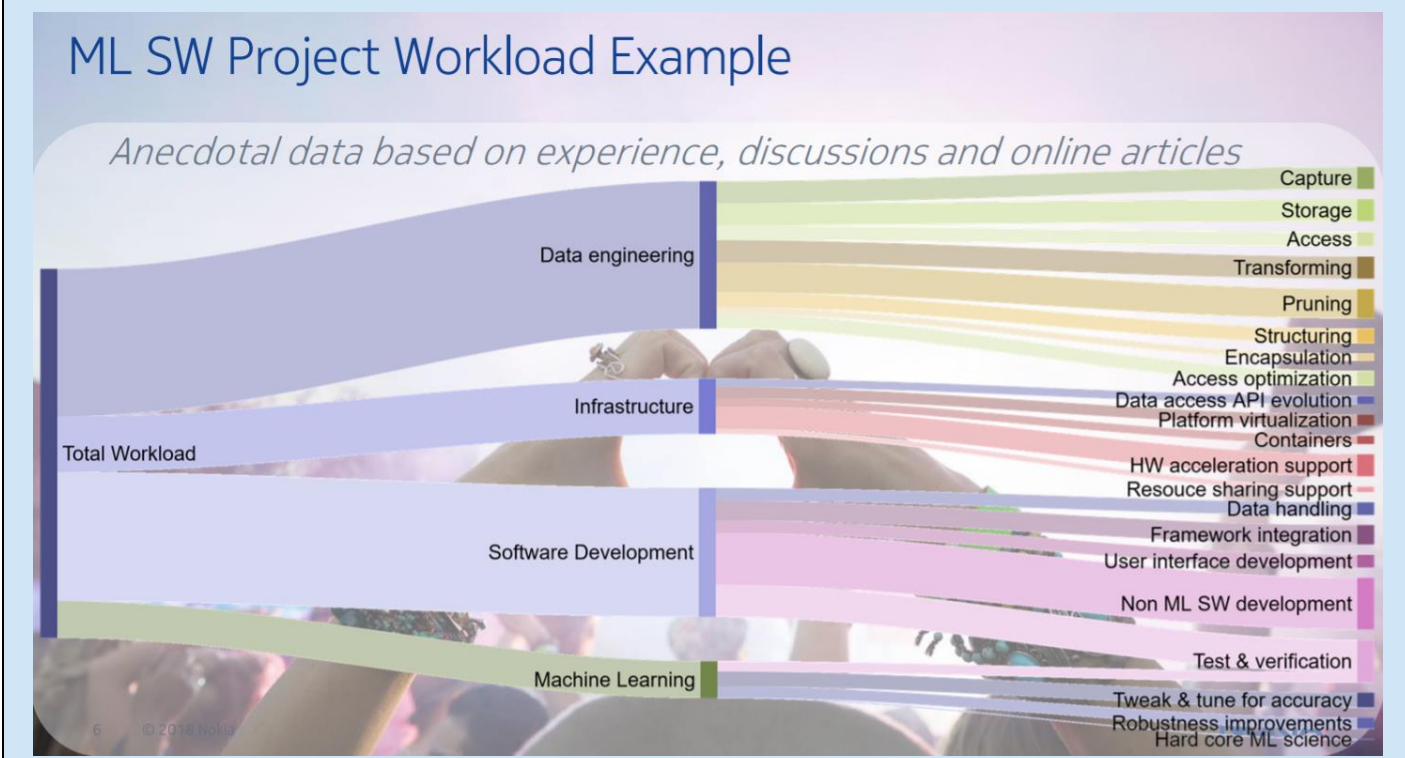
trend is likely to be holding back the growth of technology and non-technology companies alike. The Report highlighted the following skills gaps:

- Software developer
- Senior programme developers
- Data analysts / big data developers
- Artificial intelligence developers
- Computer aided design
- Cyber security
- Mobile and cloud computing
- Technology specific skills (e.g. high level technologynical knowledge of communications networks)

An insight into skills requirements

Artificial intelligence and data processing are expected to be a central part of the digital economy of the future. With Samsung, Qualcomm, Microsoft and Amazon already establishing global artificial intelligence R&D operations in Greater Cambridge, alongside home grown talent like Prowler.ai and Darktrace, the region is well positioned to be the leader in this field.

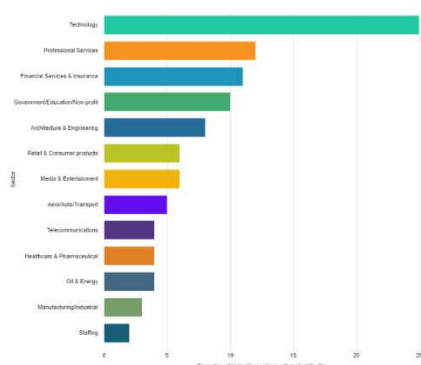
This will require the region to be able to supply newer skills in addition to programming: data management. The East of England Science and Innovation Audit identified skills, particularly related to data, as a gap in regional provision that needs to be fulfilled. The slide below focuses on a machine learning software project workload, presented by Nokia at CW Technology and Engineering Conference 2018¹⁶. It demonstrates that the largest proportion of time on a machine learning project is spent on data capture, storage, access, transformation, pruning, structuring and encapsulation.



¹⁶ Machine learning: What's in it for communications networks, Nokia, September 2018

3) And tech skills are being used across a diverse range of sectors aside from Technology (25%), including Professional Services (12%), Financial services (11%), and Architecture and Engineering (8%).

Top industry sectors worked in by LinkedIn members with tech skills



As more industries adopt digital technologies into their workflows, more strain will be placed on the supply of suitable talent leading to an ever increasing digital skills gap. Professional services, financial services and architecture/engineering are currently employing the highest numbers of digitally skilled professionals outside the technology sector (see chart, left)¹⁷. While these sectors are smaller within the Cambridgeshire & Peterborough economy compared to healthcare, manufacturing, retail and agriculture, it is still necessary to plan for an escalation in demand – especially given this

strategy's goals related to convergence (see chapter on Adoption in Industry).

Qualification level	Percentage share		Forecast % change
	2012 actual	2022 projection	
QCF 7-8 (post-grad) Masters and Doctorial level	9.1	14.6	+60.4%
QCF 4-6 University degree level	27.6	33.1	+19.9%
QCF 3 A Level	19.9	17.6	-11.6%
QCF 2 A-C GCSE level	22.1	19.9	-10.0%
QCF 1 D-F GCSE level	15.2	11.3	-25.7%
No qualification	6.1	3.5	-42.6%

Table 1 – Projected qualification demand for Eastern Region (UKCES 2015)
Source: Old Hall Associates Ltd Report to Peterborough Skills Partnership Group (July 2015)

In its [Four-Year Plan](#), the CPCA identified that by 2022 the Eastern region will need 60.4% more masters and doctoral level qualifications and 19.9% more degree-level qualifications. This is a dramatic increase and will necessitate policies that retain talent, attract talent into the region, develop the needed skills and motivation within the region's young people and retraining the existing workforce.

The development of a supply of skilled programmers and other knowledge intensive workers to meet the needs of the digital economy is the main challenge facing the growth of the sector in Cambridgeshire and Peterborough today.

This Strategy recognises four different segments of digital users, each of which have their own skill levels and educational needs:

User group	Description	Education requirements
1 Digital Exclusion	The 11% of the UK population not connected to the internet and not using digital services on a regular basis.	<ul style="list-style-type: none"> Connectivity, if not yet in place Basic digital education
2 Basic	These are users who in their home or work life are able to securely use internet-connected devices for general browsing and communicating.	<ul style="list-style-type: none"> General IT education
3 Workforce	These are users who use specialist digital services for home or work life, such as accountancy software, warehouse management tools, or photoshop.	<ul style="list-style-type: none"> Regular information on new developments Basic understanding of how programme works

¹⁷ [Exploring tech skills in the UK, Tech Nation](#)

4	Professionals	These users design the tools used by the other user groups.	<ul style="list-style-type: none"> • Maths • Understanding of how computers work • Programming languages • Data management
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We believe that it is imperative for the region to understand the extent of local digital exclusion and to support those without digital competencies or connectivity into the digital age through appropriate training and, where needed, infrastructure improvements. Too many services are moving to online models for individuals and businesses to maintain competitive efficiency without venturing online. An in-depth study which helps to ascertain the extent of digital exclusion and the impact on productivity, life chances and health and well-being in the CPCA area could be valuable, similar to one conducted to great effect by the Joseph Rowntree Foundation in Glasgow.

However, this Strategy is primarily concerned with ensuring that appropriate IT skills are present in the workforce of Cambridgeshire & Peterborough's future. To this end, sufficient educational provision for both young people and adults needs to be accessible either through the school, college and higher education system, or through employer-led training. At the same time, businesses need to have a clear process for engaging with the education system and for signposting what skills and knowledge it needs its future workforce to

develop. One route to achieving this is through the Digital Skills Partnership, see inset above, which is a localised, nation-wide programme of joint public / private sector engagement on education. Alternatively, a more ambitious programme could be the creation of a CPCA Digital Skills Task Force, consisting of business, education and public sector leaders, that generates and actions specific



A clear recommendation made to the Commission was not to develop regional initiatives that were of necessity sub-scale but to align with nation-wide initiatives where possible. Digital skills development is a major focus area for national Government. The **Local Digital Skills Partnerships (DSP) programme** provides access to resources from national Government, extending from the commitment of the [UK Digital Strategy](#), to improve digital capabilities across the entire skills spectrum, from online literacy to the advanced knowledge needed to work in the digital sector.

Lancashire, the South West and West Midlands are already piloting the DSP programme, and the national Government has invited all other Local Enterprise Partnerships and Mayoral Combined Authorities to submit expressions of interest to form a Local DSP pilot. A further three will be selected by **April 2019**. A [Local DSP Playbook](#) has been created as a central resource to help regions to establish and run a successful Local DSP.

We recommend that the Combined Authority works with relevant local parties to submit an application to form a local Digital Skills Partnership for Cambridgeshire & Peterborough.

opportunities around the creation of digital skills among young people and adults; its mission would be to ensure that all businesses in the area are able to thrive through access to a consistent, high quality supply of talent.

YOUNG PEOPLE (PRE-18)

Providing high quality digital training to Cambridgeshire and Peterborough's young people provides a dual benefit. Firstly, a digital education with effective employability interventions can lead to the higher paid, more productive jobs of the Knowledge Intensive economy. Secondly, easing the recruitment challenges of local digital businesses by supplying a highly skilled digital workforce will improve their productivity.

To ensure that young people leave school with the skills that the digital economy values, we see that five important things must be in place

- **The curriculum must deliver what employers need.** To do this, employers need to feed back to schools through the appropriate mechanisms what they are lacking. The potential of T-Levels is recognised – as is the fact that despite there being a Digital route, no Cambridgeshire and Peterborough education providers are offering T-Levels within the first wave. The public sector needs to better signpost these feedback channels and encourage local digital companies to share their needs with the education sector.
- **Upskilling opportunities for teachers** – the Business Survey highlighted recommendations for ensuring that training opportunities are available to teaching staff in the region (of schools and higher education establishments) to ensure that the quality of education delivered is of the highest standard and in line with the skills and knowledge expected of business.
- **High quality extra-curricular provision must be available for activities that grow digital and soft skills (such as team work and creativity) within an inclusive environment.** Code Clubs and Robotics Clubs inspire young people and nurture their enthusiasm in a particular subject, as well as offering opportunities for soft skill development such as teamworking and creativity. The private sector needs to provide volunteers to support the teaching staff in delivery and to demonstrate available career paths. Diversity in volunteers should be encouraged.
- **Employers must engage with schools.** There are a myriad of programmes in the region supported by businesses such as Business in the Community, Form the Future and the Careers and Enterprise Company. The landscape can be confusing and inconsistent for both employers and schools, and it varies from district to district. It is far easier, for example, to generate STEM-based employer engagement in Greater Cambridge than in Fenland. Yet it is Fenland and East Cambridgeshire that has been identified by the Government as an "Opportunity Area" due to the low levels of academic achievement and social mobility – two factors which consistent employer engagement can help remedy. The Combined Authority needs to work with relevant organisations to identify employer engagement programmes that are effective and to rally increased support from local technology firms through brokerage, facilitation and, if needed to expand employer engagement to currently underserved areas, incentivisation.

- **A variety of career paths into the digital sector need to be supported by the business community.** The apprenticeship programme is subsidised by the Government and offers high quality on-the-job training without requiring that the employee take on the financial impact of a university degree; through apprenticeships it is possible for young people to develop competitive coding skills as well as effective soft skills. Anglia Ruskin University currently offers a digital apprenticeship programme, but uptake has been slow despite support from the likes of Bango and Aveva. Information needs to be easily available on the process for delivering apprenticeship programmes, and the Business Survey reflected the feeling that more (financial) support needs to be offered to SMEs so that they can take on interns or apprentices without losing efficiency.

ADULT (POST-18)

Adult education is an area over which the Combined Authority has budgetary control. With new technological advancements being deployed, the re-training and upskilling of adults to enable them to be more productive in their roles or move on to higher paid jobs, is of critical importance to increasing local productivity. Given the lead time for educating a young person to a digital-job-ready level, it is essential that the Combined Authority invests in and promotes digital retraining pathways for adults in parallel.

Adult education is available via part-time courses at, for example, Cambridge Regional College which has campuses in both Cambridge city and Huntingdon and offers courses in Software Programming and CyberSecurity Essentials. Meanwhile City College Peterborough offers IT Skills courses in its Adult Education portfolio and Peterborough Regional College offers courses on CAD and an Introduction to Programming. These courses are priced affordably and typically held at times that are convenient for workers.

The role of Universities in part-time adult education could be enhanced. The University of Cambridge's Institute for Continuing Education, for example, offers many humanities courses but not many computer science courses. Peterborough University has been identified by the Cambridgeshire and Peterborough Independent Economic Review as a growth opportunity for the region; this is especially important given Peterborough's low qualification rate outlined above. We hope that the University aims from the start to support the adult education work of City College Peterborough and Peterborough Regional College while providing high quality education to young people and engaging with local business to deliver skills in line with the regional economy and the latest technology trends.

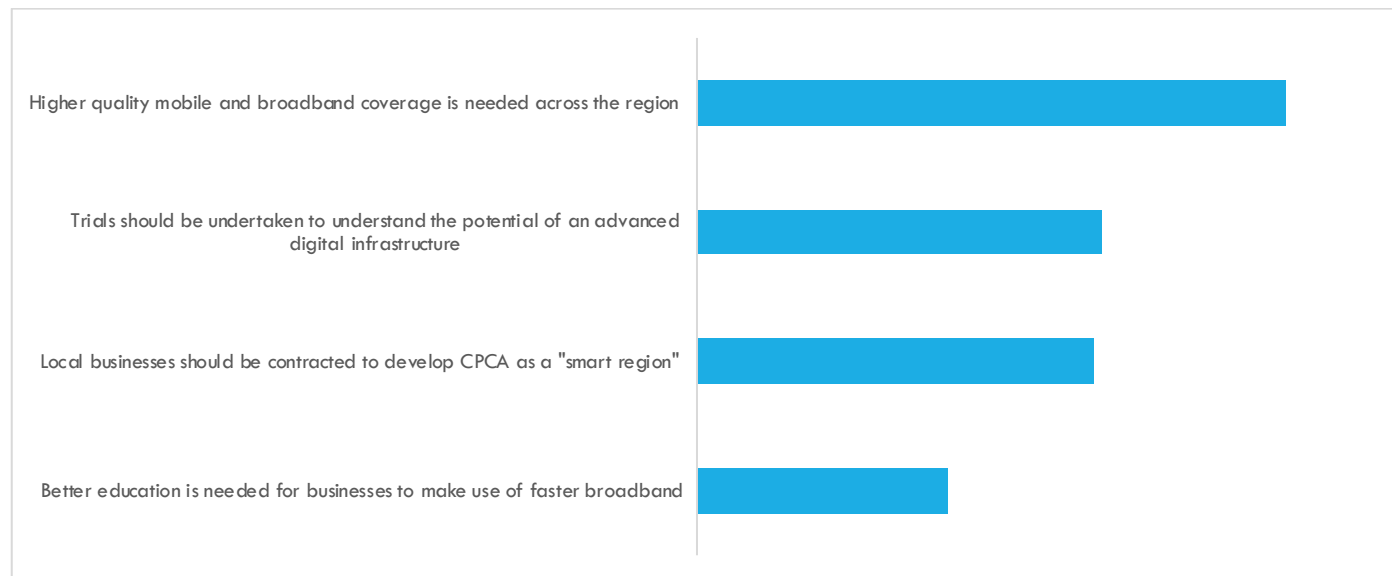
The Regeneris Skills Report concludes that employers across the CPCA area appear to be more willing to offer training to employees, in order to address skills shortages and recruitment problems, than national benchmarks, with over 70% providing some kind of training. There is also a greater propensity for firms to invest in on-the-job and online training compared to the average values for the whole England, although offsite training also plays a considerable role. Variance between Cambridgeshire and Peterborough is minimal, with employers in the latter generally more likely to

offer some form of training. This level of private sector investment in employee personal development needs to be maintained at the least. The current plans for the adult education budget are to prioritise digital literacy, qualifications up to Level 3, and the development of skills for Health & Care, Logistics, Construction and Manufacturing. We support the goals of digital literacy, and would recommend adding IT & Telecommunications to this list of priority sectors.

TECHNOLOGY INFRASTRUCTURE

VISION

The Digital Sector Strategy's vision is that the CPCA region becomes a region where telecommunications and digital infrastructure is understood to be an absolutely vital underpinning of the economy, and where local government acts as a catalyst to accelerate demand, encouraging the entry of private sector supply side solution providers. The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/ 5)
Higher quality mobile and broadband coverage is needed across the region	4.42
Trials should be undertaken to understand the potential of an advanced digital infrastructure	4.04
Local businesses should be contracted to develop CPCA as a "smart region"	4.02
Better education is needed for businesses to make use of faster broadband	3.72

INSIGHTS FROM QUALITATIVE ANALYSIS OF SURVEY DATA See Annex 1	INSIGHTS FROM QUANTITATIVE ANALYSIS OF SURVEY DATA See Annex 2
There are several practical issues mentioned in the survey results such as lack of mobile phone coverage in rural areas, on train lines, fibre cable not reaching to where businesses are (IND), or into new built environment (TAL). CPCA region should be better than average in connectivity, a test bed for 5G (INV), networks available in public places. More competition is asked for reducing the price of being connected to fast networks (IND).	<p>The Survey's answers provide some interesting evidence on how the different districts perceive the relative relevance of the proposed priorities and Technology infrastructure needs. A gradient emerges where Fenland considers all four options to be of key relevance, Peterborough also attributes relevance to all the four same priorities but with an overall slight less intensity. Greater Cambridge and Huntingdonshire focussed on two key issues and East Cambridgeshire on one. In more detail,</p> <ul style="list-style-type: none"> • "Higher quality broadband and mobile coverage is needed across the entire region", was a top priority for all areas apart from East Cambridgeshire

	<ul style="list-style-type: none"> • "Local businesses should be contracted to develop CPCA as a "smart" region" is particularly relevant for the Fenland, Peterborough and Greater Cambridge • "Better education is needed for businesses to understand how to make use of higher quality broadband (e.g. video marketing)", was a priority for respondents in Fenland, Huntingdonshire and Peterborough, while • "Trials should be undertaken to understand the cross-sector potential of an advanced digital infrastructure", seems to be critically relevant for Fenland, Huntingdonshire and Peterborough.
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RECOMMENDATIONS	
For public sector	For private sector
<p>Deliver a step-change in technology infrastructure ambitions with aspirational targets of 1Gb/s broadband speeds across the region by 2022. Put in place internal processes that will support the private sector in turning Cambridgeshire & Peterborough into a world-class smart region at pace.</p> <ul style="list-style-type: none"> • Aspirational target Gb/s broadband speeds and 4G on all transport routes, business sites and dwellings by 2022. • Make next generation digital infrastructure an absolute requirement for all future transport, housing and commercial development projects • Review the efficiency of the structure, processes and regulations of local Government that affect the roll-out of full fibre infrastructure, mobile connectivity and smart city technology with a purpose to make public places more digitally immersive and accessible for citizens, visitors and businesses. • Combined Authority to continue to work with Connecting Cambridgeshire to explore how the Smart Cities programme is best extended out to and integrated across Market Towns • Provide the physical space and institutional goodwill for intelligent city technology innovation projects, making it as simple as possible for the private sector to trial new products and services. This strategy should prioritise the sourcing of technology from local firms and adopt an "Open Innovation" ecosystem approach e.g. citizen engagement, democratising data. 	<p>Inspire demand for advanced technology infrastructure by bringing citizen and business communities together and raising awareness of next-generation infrastructure capabilities through networking and workshops. Campaign for faster and more ambitious roll-out.</p> <ul style="list-style-type: none"> • Grow the Digital Champion scheme to generate knowledge of and demand for Gb/s broadband schemes. • Work with local and national Government to deploy localised 5G testbeds and "Open Innovation Zones" that accelerate the development and adoption of new products, services and applications

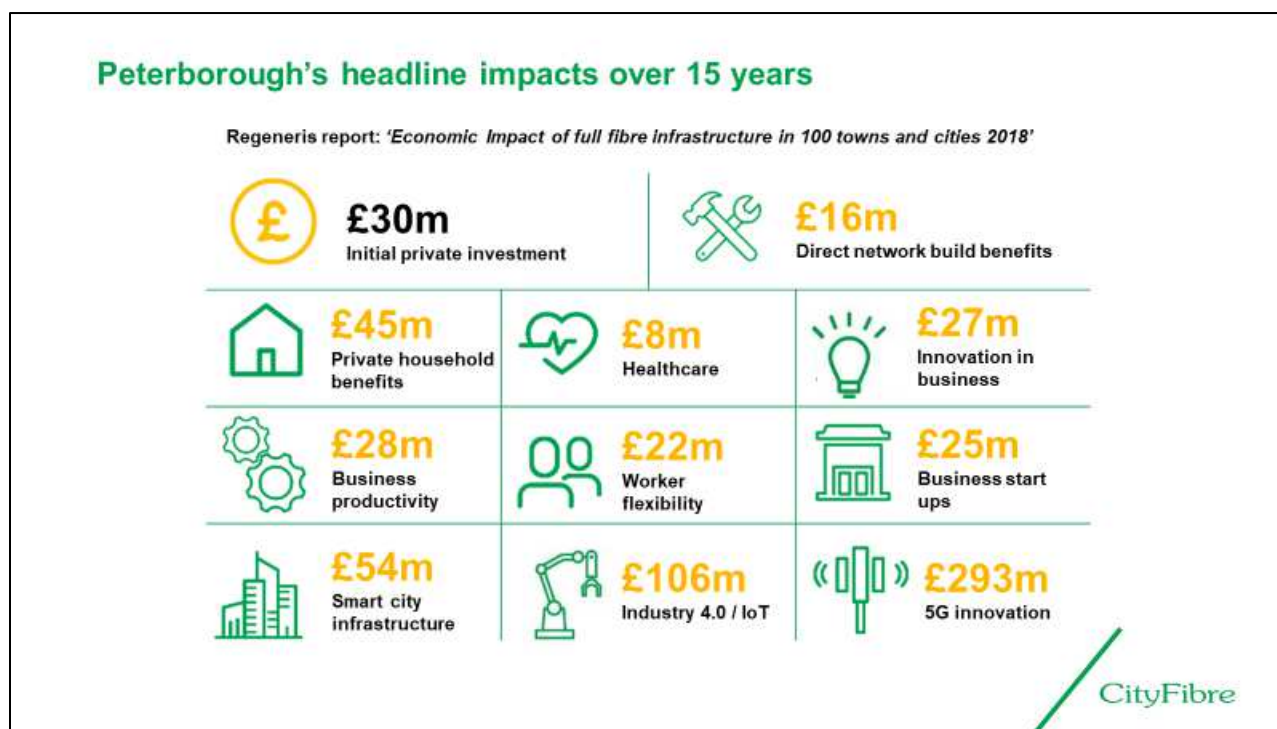
BACKGROUND ON TECHNOLOGY INFRASTRUCTURE IN CAMBRIDGESHIRE & PETERBOROUGH

Today, digital infrastructures, and their interconnections, form the absolute foundations of the digital economy. A region that seeks to expand the productivity of its technology sector, such as Cambridgeshire and Peterborough, needs cutting-edge digital infrastructures to support and sustain that growth. Internet access is now widely seen as the fourth essential utility. It underpins our economic and social lives. It means that digital businesses can set-up and collaborate in an increasingly data-driven world, and users and citizens can enjoy a high quality of work and of life. Mobile internet connectivity enables commuters to work and communicate with stakeholders while

on the move, it enables businesses to transfer the large volumes of data rapidly and, possibly, securely, and it enables a wide range of newly emerging working patterns that, while posing some key questions on the nature of working relations, are also surely delivering valuable repercussions across wellbeing, leisure and health.

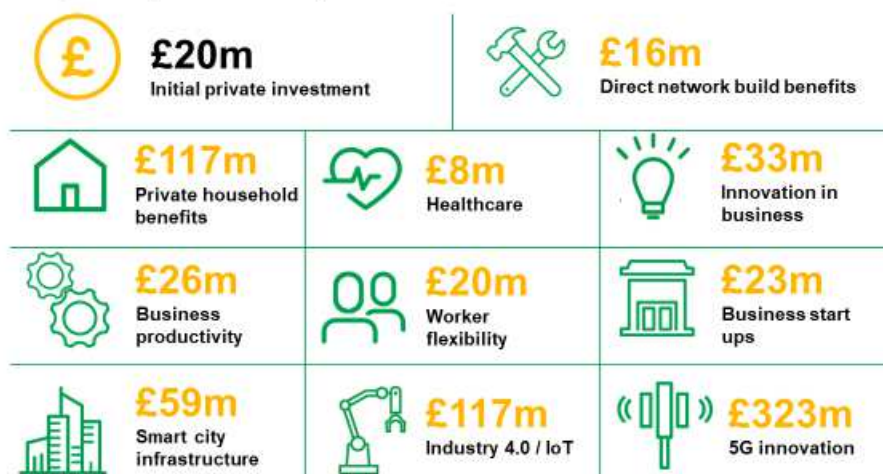
Next generation digital infrastructures are formed over fibre networks rather than legacy copper networks and through 5G fixed wireless access. In the [Future Telecommunications Infrastructure Review](#), the Government outlined targets for half the country to have full fibre connectivity (which will deliver GB/s rather than MB/s speed) by 2025 and full access to it nationwide by 2033. There are mechanisms in place to support this roll-out, including the Government's £67M Gigabit Broadband Voucher scheme, announced in March 2018, which supports businesses and business parks to access the new gigabit fibre networks.

The 2018 report by Regeneris Consulting for CityFibre on [The Economic Impact of Full Fibre Infrastructure in 100 UK Towns and Cities](#) explores ten impact areas where full fibre can add to GVA and employment, including productivity improvements, innovation, flexible working and new business start-ups. The two graphics below detail the potential benefits of full fibre to Peterborough and Greater Cambridge over fifteen years based on information from that report. This includes £726M in total estimated benefits to Greater Cambridge and £608M in Peterborough.



Cambridge's headline impacts over 15 years

Regeneris report: 'Economic Impact of full fibre infrastructure in 100 towns and cities 2018'



CityFibre

There are already programmes ongoing in Cambridgeshire and Peterborough to improve mobile and broadband services including the Connecting Cambridgeshire and the CityFibre GigaBit City deals, Virgin rolling out fibre to thousands of homes in Chatteris and March, and Hyperoptic and CNF announcing plans for Greater Cambridge. This is good progress. As a result of the Connecting Cambridgeshire programme, for example, the county's superfast broadband coverage has gone from less than 60% in 2010 to over 96% by January 2018.

Ofcom's [December 2017 Connected Nations](#) report confirms that the two cities of Greater Cambridge and Peterborough are well served in terms of digital infrastructure, and generally have coverage above the England average. However, indoor and in-car coverage for 4G mobile voice and data services for all other areas of the county is below the England average. At 8%, full fibre (FTTP) coverage across Cambridgeshire and Peterborough is marginally above the national average for England but still low, particularly compared to other regions in Europe and well below, for example, South Korea.

For a region that is seeking to compete on a global stage and attract significant volumes of inward investment, this must be improved. In 2019/20, the Combined Authority is set to invest £2.1m on improving digital connectivity, working through Connecting Cambridgeshire. Priority planned investments include £1m to improve mobile coverage, £500,000 for full fibre, £200,000 to develop a 5G network, and £100,000 on public access Wi-Fi. This work will be aligned with the strategy for the economic development of market towns¹⁸.

¹⁸ Combined Authority Business Plan 2019-20

We recommend the entire region holds aspirational targets of 1GB/s or higher broadband speeds across the area by 2022 as well as 4G connectivity on all transport routes, residential areas and business parks. In order to achieve this ambitious target, we would encourage a review of the structure, processes and regulations of local Government that will enable and encourage the private sector to roll out the necessary digital infrastructure.

We understand that private companies are unlikely to prioritise investment in full fibre infrastructure in areas that may not offer promising financial returns. To address this challenge, a region-wide programme of **demand generation** for digital infrastructure must be pursued, building on the example provided by the local community Digital Champions, who have been encouraged and convened by Connecting Cambridgeshire to stimulate the Superfast Broadband roll out, and also the St Neots Smart Places Initiative who organised a three-day Future Takeover event for 193 local residents and businesspeople that explored the role technology can play in creating a 'smart' market town. The aims of such a demand generation programme would be threefold:

- inspiration: creatively unlocking the realisation of what enhanced connectivity could mean for businesses and citizens
- consultation: understanding the unique requirements of the local eco-system.
- education: raising awareness of the benefits of GB/s internet speeds and digitalisation in general

The UK Government committed £200m in the 2016 [Autumn Budget](#) to develop the country's 5G infrastructure¹⁹. This includes the funding of test networks, and sector-specific trials, an Urban Connected Community programme in the West Midlands, and other programmes yet to be rolled out. Integral to DCMS' rollout plans is the national [UK5G Innovation Network](#), headed by local membership firm Cambridge Wireless.

Cambridgeshire and Peterborough should leverage this national Government ambition and the strengths it has in the region to deploy an early 5G testbed & trials. Such a testbed would need to work with multiple businesses to maximise the impact of the new technology and generate a long term economic benefit for the area. It would involve providing the network infrastructure, but also enabling businesses to trial 5G devices and services on this network. Such a testbed would require the public sector to generate physical space as well as institutional goodwill for intelligent city technology innovation projects, making it as simple as possible for the private sector to trial, interact and learn to use, new products and services through the adoption of "Open Innovation" principles.

¹⁹5G mobile networks may deliver £173bn in UK GDP growth between 2020 and 2030 according to FCCG (2017). 'UK Strategy and Plan for 5G & Digitisation – Driving Economic Growth and Productivity'. FCCG estimates are based on global contribution of 5G from GSMA (2017). 'The Mobile Economy' and the net benefit of investment in 5G in the UK.

The UK5G Innovation Network and DCMS' Phase 1 Trials

Set up to accelerate the adoption of 5G in the UK, UK5G facilitates communication and cooperation between organisations involved in the rollout of 5G infrastructure and services. It works hand in hand with the six phase 1 trials funded by the Department for Culture, Media and Sport. These trials offer influential insights into what cities and rural areas might achieve through 5G testbeds. For example the manufacturing testbed operated by the Worcestershire 5G Consortium is set to demonstrate 1% productivity improvements through the use of 5G technology. The Smart Tourism testbed in the West of England is engaging citizens in public spaces through augmented reality applications. And the 5GRIT testbed is utilising 5G-enabled high definition video feed from drones to examine farmland and identify irregularities in real-time.

The goal for the Combined Authority area should be that visiting potential investors come away with a genuine realisation that we are world-leading smart region. To strengthen and support this aim, the Combined Authority should continue to invest in increasing the “smartness” of the region, preferably by working alongside exemplar local companies²⁰.

The CPCA have reserved over £5m of capital expenditure over the next three years for Digital Infrastructure. With this budget, the Combined Authority has the potential to increase the quality of life for its inhabitants, make it an increasingly attractive area for potential investors and provide local technology entrepreneurs with a critically larger customer-based demand, necessary, when aggregated, to create initial critical mass and to support early stage growth.

Organisations such as Future Peterborough – which brought that city to success in the 2015 Smart City of the Year Award – and Connecting Cambridgeshire with the Smart Cambridge and Smart Places initiatives are all working in this field, and it is important to note that individual market towns are also currently generating their own digital infrastructure plans.

We recommend for these individual plans to communicate, interconnect and collaborate to make deployment more efficient, supported by an overarching strategy and a single barrier-busting body whose remit is to accelerate the development of Cambridgeshire & Peterborough as a smart region through the sharing of best practice and strategic engagement with infrastructure providers and Operators.

A key requirement here is that that for all private or public initiatives involving transport, housing or commercial development, ambitious and complementary digital infrastructure provision should now become an absolute planning necessity before permission to proceed is given.

This need for a collaborative, networked approach, highlights the significant challenge to the effective deployment of next generation digital infrastructure across the entire Combined Authority area: simply the number of different policy authorities and government bodies involved. The ownership of networks of assets is complex across the landscape and there are many historical examples of fragmented management one should learn from.

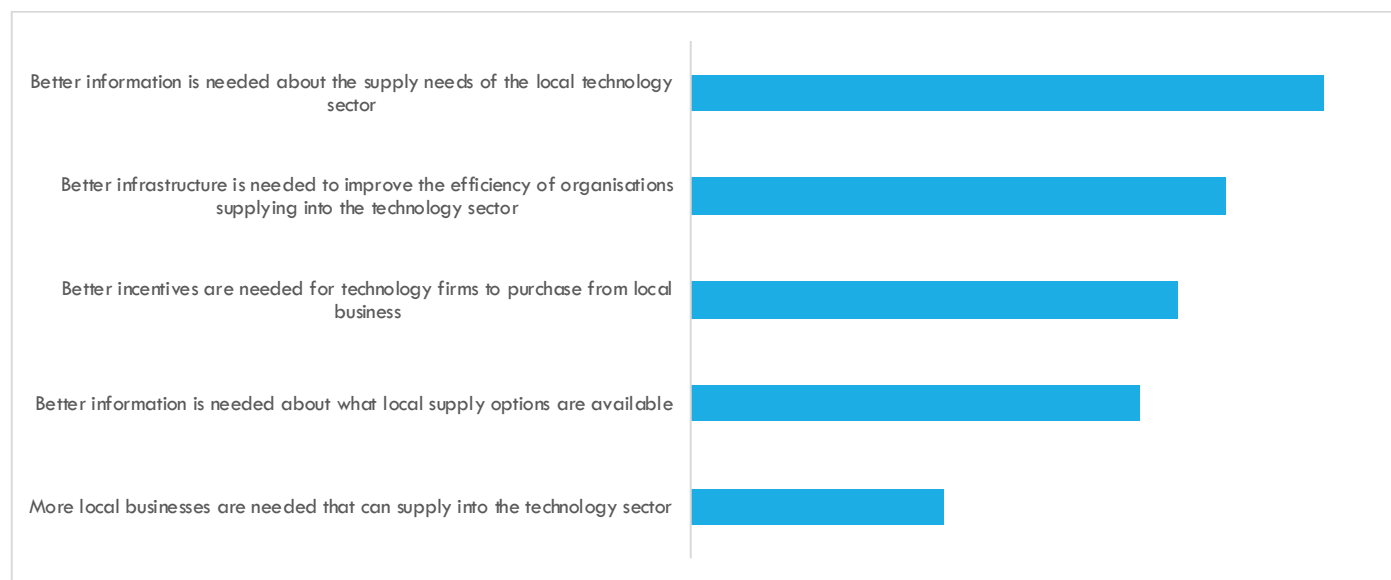
²⁰ A great example of this is Urban Data Project between Telensa, Microsoft and the Smart Cambridge team.
<https://www.telensa.com/news/telensa-announces-the-urban-data-project-with-cambridge-as-launch-partner-city>

For example: lampposts are an asset that can be central to the deployment of smart solutions while being finely distributed across the territory, providing an extended network penetrating most of the corners of present urban landscapes. They might be owned by one of a number of local councils or by a long-term PFI contract; such fragmentation makes it difficult for a scheme that aims regionally and requires input from numerous external stakeholders to be effective. Different approaches can instead be followed as piloted, for example, by GovTechnology, the Singapore government agency in charge of a “Lamppost-as-a-Platform” pilot project, that is tendering business for ideas and solutions on using this platform.

SUPPLY CHAIN

VISION

The Digital Sector Strategy's vision is that the CPCA region becomes a region where more local firms complement the supply and demand needs of the local technology community. The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/ 5)
Better information is needed about the supply needs of the local technology sector	3.95
Better infrastructure is needed to improve the efficiency of organisations supplying into the technology sector	3.85
Better incentives are needed for technology firms to purchase from local business	3.80
Better information is needed about what local supply options are available	3.76
More local businesses are needed that can supply into the technology sector	3.56

INSIGHTS FROM QUALITATIVE ANALYSIS OF SURVEY DATA See Annex 1	INSIGHTS FROM QUANTITATIVE ANALYSIS OF SURVEY DATA See Annex 2
Companies go where they find the best value for meeting their needs (IND). This region is internationally connected (UK, EXP) and buying services from anywhere from the world (EXP) does not seem to be an issue. However, 'more' of connecting (NET) the both sides would be win-win. There should be more transparent knowledge sharing (KNO) of buyer needs. Also, improved access to suppliers to both public and private procurement (IND) would open opportunities for local companies (IND) to offer their products and services.	<p>Peterborough, Fenland and Huntingdonshire set as key priorities "Better information is needed about what local supply options are available", and "Better information is needed about the supply needs of the technology sector"</p> <p>This identifies the need for bridging an information gap in these districts concerning local and technology sectors' supply chains.</p> <p>Greater Cambridge identifies the need to respond to an infrastructural need, captured in the priority: "Better</p>

	<p>infrastructure is needed to improve the efficiency of organisations supplying into the technology sector"</p> <p>Meanwhile operational improvements were considered of key relevance by Peterborough and Fenland, emphasizing the two statements "Better incentives are needed for technology firms to purchase from local businesses" and "More local businesses are needed that can supply into the technology sector".</p>
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RECOMMENDATIONS	
For public sector	For private sector
Sponsor a researched programme of networking activities that helps the region to increase understanding of the value chains of digital businesses and to help remediate potential gaps and bottlenecks in the local supply market.	Provide more opportunities for digital businesses to meet local suppliers, and vice versa, through targeted face to face networking opportunities and intra-regional programmes.

BACKGROUND ON SUPPLY CHAIN IN CAMBRIDGESHIRE & PETERBOROUGH

A well-advertised, open, accessible and utilised local supply chain is needed for high-value technology clusters to provide both direct benefit and indirect spillovers and externalities to the rest of Cambridgeshire and Peterborough²¹. The supply chain is key for the transfer of knowledge and ideas. It is not a simple linear process, but essentially a *networked* one, where parts of a product or of a service, can be reassembled and reconfigured, multiple times, and where the same actors can play different roles, as suppliers, customers or collaborators, especially for supply chains delivering the production of digital goods²². It is important to realise that such networked interactions, jointly forming the supply chains, are mutually beneficial to all parties.

"Ten years ago a report* identified that the East of England was highly successful at innovation yet lagging internationally in terms of economic output. **One of the key differences with comparable international regions was the lack of supply chains.** Since then, Cambridge and the wider region has had an influx of global corporations. Like the Eindhoven region 10 years ago, we need to develop a "create & make" policy, where start-ups can increase their success rate and grow into medium-size organisations by leveraging the presence of large companies and utilize their access to global markets."

Henk Koopmans, CEO Huawei R&D UK

*The Innovation performance of the East of England, EEDA March 2009.

CBR research from 2018 suggests that 10.8% of the value of supplies for local Cambridgeshire & Peterborough businesses across all sectors came from their local area (defined as being within thirty miles), whereas 27.8% came from overseas. This represents a missed opportunity that this strategy

²¹ Giovannetti, E. and Piga, C. (2017) "The Contrasting Effects of Active and Passive Cooperation on Innovation and Productivity: Evidence from British Local Innovation Networks", *International Journal of Production Economics*, Volume 187, May 2017, Pages 102-112

²² D'Ignazio A. and Giovannetti E. (2014) "Continental Differences in the Clusters of Integration: Empirical Evidence from the Digital Commodities Global Supply Chain Networks" *International Journal of Production Economics*, Volume 147-B, pp 486-497

recommends is addressed. However, analysing the nature and details of the supply chain of the technology industry in Cambridgeshire and Peterborough is a lengthy and data intensive task, and not one possible within the constraints of this strategy. We recommend that this is done by CPCA as a further research project.

As mentioned in the introduction, this strategy does not seek to interfere unnecessarily in the workings of the market. However, in the domain of Supply Chains two key features have been identified by the Commission and by respondents in the Business Survey which indicate the presence of a market failure, and could therefore benefit from support from Government and the business community.

1. Lack of information on suppliers in the region
2. Lack of information on the buying practices of local digital firms

These problems and barriers are not surprising as companies trading along complex supply chains are mainly doing bilateral trading, often based on relationships, not through anonymous competitive market places. Such bilateral trading takes place all along complex supply chains that involve high technology digital goods, be it a service or a commodity.

Moreover, the reality of facing just one supplier, or one customer, rather than a multitude of competing ones, may place this supplier, or customer, in a strong bargaining position, making it *unavoidable*. Such *unavoidability*, in a complex digital supply chain, can be compared to the role of an airport with no competing airports in a radius of 100 miles. When these effects, also known as market *dominance*, arise, economic theory tells us that regulators should carefully scrutinise for the possibility of their abuse, where such *dominant* positions are used to prevent new entry or to extract excessive rents.

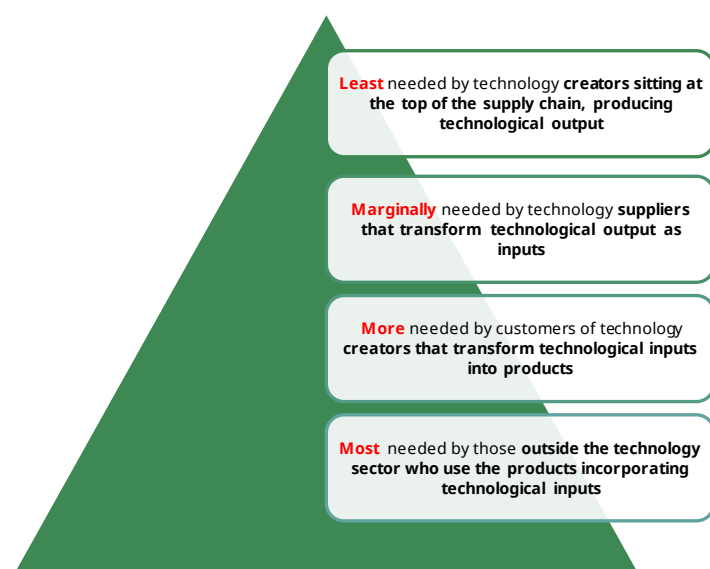
While the emergence of online platforms have initially reduced these risks, as they provide a larger set of exchange opportunities along the supply chains, when growing and becoming more successful, they also pose additional risks of *monopolisation* due to the high barriers to entry. Such barriers, potentially blocking new entrants, innovators and entrepreneurs, become steeper due to clear mechanisms, where *success bring more success*, as the number of customers on one side of an online platform enjoy higher benefits when there are more potential suppliers, on the other side of the platform. This happens, for example, when advertisers prefer to invest on social media platforms that allow them to reach more customers, hence providing these platforms, with more resources to expand and attract even more customers, leading, eventually, to a self-reinforcing process possibly, leading to the possible capture, and dominance, of the entire online market.²³

Connecting local supply with demand, across digital platforms and face to face, is the key to unlocking this failure. There may well be companies already operating within the Cambridgeshire

²³ Rochet, J-C. and J. Tirole (2003), "Platform Competition in Two-Sided Markets", *Journal of the European Economic Association*, 1, 990–1029

and Peterborough area that could be better utilised by local technology firms. Carefully curated networking events for customers to meet suppliers will generate new opportunities and stimulate regional growth. Building connections between the region's districts will be key to ensuring that the supply pool is as broad as possible. **We feel there is an opportunity for the Combined Authority, working with local technology organisations, to support intra-regional "Trade Missions" that build connections between firms and establish new relationships.**

An additional relevant insight emerging from the quantitative analysis of the Digital Sector Strategy Business Survey shows that access to supply chain relevant information is perceived differently depending on where in the supply chain you sit. Technology creators feel the need for information less, while those outside the technology sector feel the need more. These supply chains roles can then be mapped into the district differences, discussed above, to obtain a clearer picture of the geographic distributions of respondent companies supply chain needs and roles.



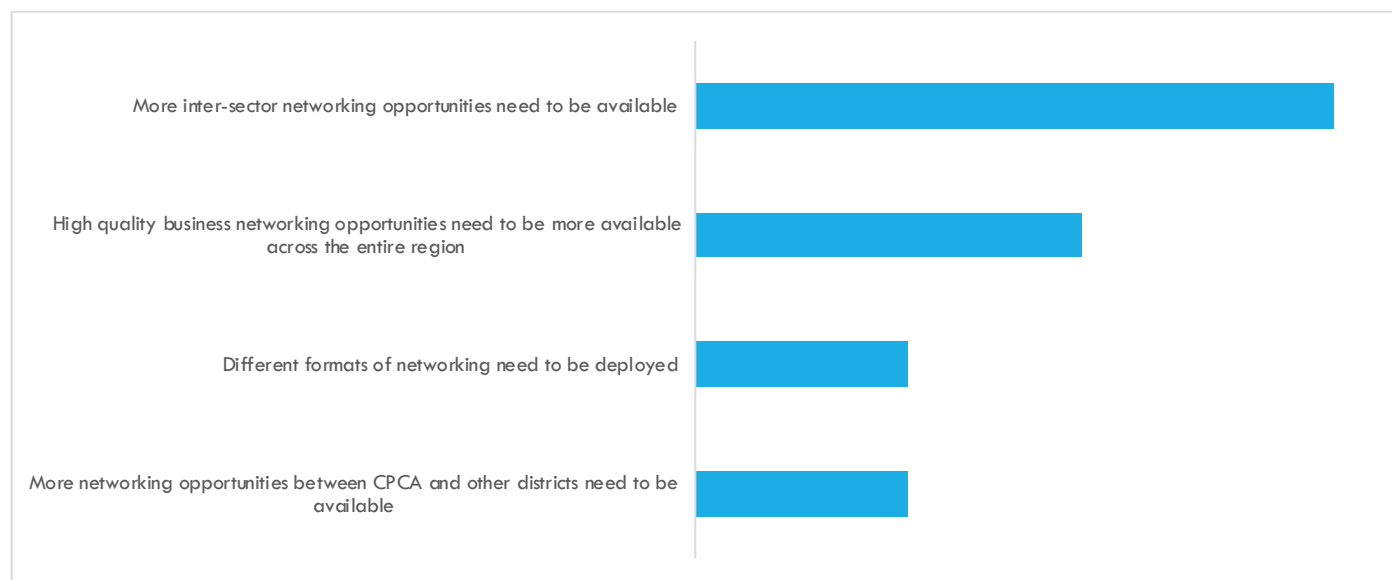
The pyramid of information needs along the digital supply chain

The Digital Sector Strategy Business Survey suggests that for digital businesses, quality over cost or provenance is the most important factor; it also reinforces the fact that many digital businesses have an international perspective on sourcing. Therefore, to develop a healthy local supply chain for the technology community, these businesses need to be globally competitive, which means the local suppliers need visibility on what digital firms are currently buying, from whom and at what quality and price. In a functioning market, this knowledge will enable firms hoping to establish in the area to position themselves appropriately for success.

HIGH IMPACT NETWORKING

VISION

The Digital Sector Strategy's vision is that the entire region becomes a highly networked environment where organisations help bring the communities together and support them as they make the right connections. The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/5)
More inter-sector networking opportunities need to be available	4.33
High quality business networking opportunities need to be more available across the entire region	4.20
Different formats of networking need to be deployed	4.11
More networking opportunities between CPCA and other districts need to be available	4.11

INSIGHTS FROM QUALITATIVE ANALYSIS OF SURVEY DATA See Annex 1	INSIGHTS FROM QUANTITATIVE ANALYSIS OF SURVEY DATA See Annex 2
Networking is happening within industry subsectors (IND), as well as across disciplines (UK). There should be more emphasis on attracting businesses (IND) and individuals (TAL) outside of the region to attend the events which often have the same local people attending (UK). Showcase the industry cluster (IND) and share knowledge (KNO) at events by high net worth individuals from successful businesses (IND). Different parts of the region have different needs for networking. An ecosystem is joined up collaborative network. Access to venues should be easy and the region would do better with more medium sized venues. Special topic events (IND) will survive if there is enough demand for them.	<p>Networking has barriers that needs to be overcome in Fenland and Huntingdonshire</p> <p>Fenland identifies two priorities as critically relevant:</p> <ul style="list-style-type: none"> • "High quality business networking opportunities need to be more available across the entire region", and • "More inter-sector networking opportunities need to be available (e.g. "agriculture meets sensors")" <p>This last priority is also seen as critically important for Huntingdonshire.</p>

RECOMMENDATIONS	
For public sector	For private sector
<p>Ensure appropriate physical space, connections and channels are available for businesses to network by transforming underutilised public infrastructure into co-working spaces or learning zones and supporting landlords in installing co-working spaces in high street spaces.</p> <ul style="list-style-type: none"> Transform available or underutilised libraries/public spaces into co-working spaces or learning zones. Using public sector asset redevelopment projects as an opportunity to create co-working spaces or learning zones, and by inviting landlords and developers to come forward with proposals to create commercial space that specifically supports flexible co-working and networking space Pump prime underserved networking areas of high potential to enable the delivery of high quality events that attract the desired delegates. Areas in need are inter-sector networking activities, intra-regional networking activities (see Supply Chain: Trade Missions). 	<p>Established networking firms to deliver high quality events across the region while collaborating to build a comprehensive ecosystem of business development and knowledge transfer.</p> <ul style="list-style-type: none"> Focus on areas of higher population density – for example Huntingdon and Peterborough – and patience will be needed to get it off the ground (ref. Alconbury). Work with Market Towns strategies to put in place community networking events where people live, with themes and content of universal appeal. We support the CPIER recommendation for the creation of a regional Fellows Network to strengthen networks across the area and identify opportunities. In particular these Fellows Networks could bring together entrepreneurs in local support groups.

BACKGROUND ON NETWORKING IN CAMBRIDGESHIRE & PETERBOROUGH

"Networking represents the lifeblood of any ecosystem, helping to bind together all its constituent parts to allow information and knowledge to move quickly between each of the individuals. Greater connectivity and transparency not only helps to highlight and eject bad actors from the system, but also creates partnerships and value that otherwise simply would not happen"

Jon Bradford, The Bradfield Centre

The Greater Cambridge cluster's business networking culture is a unique phenomenon and one to which the innovation of the area, which boasts the highest number of patents per head of anywhere in the UK, owes a considerable debt. The transfer of knowledge and development of opportune business relationships through "chance" encounters at events are a hallmark of this region's success. It has been revealing that throughout the development of this Digital Sector Strategy "High Impact Networking" has emerged as the fundamental area for region-wide development. Bringing people together to share ideas and expertise is needed to stimulate demand for new digital infrastructure, to raise awareness among entrepreneurs of the investment models available to them, to accelerate the adoption of new technologies by industry, to develop relationships and partnerships overseas, and more. Only when a regular, high quality platform exists for businesses to meet new investors, partners, suppliers or employees will productivity really start to accelerate.

What is particularly special about the networking culture is that it is almost entirely privately funded. The business community contributes to its ongoing development through, not only fees and sponsorship, but also through very substantial commitment of time. The model is highly participative and 'bottom-up'. However, while this culture of high impact networking thrives in Greater

Cambridge and stimulates its local economy, it is far less prevalent in other districts of Cambridgeshire & Peterborough.

At present there are around 60 dedicated networking organisations in the Greater Cambridge area with prominent players listed in this table.

They offer formal opportunities for high quality networking in general business areas, technology, energy efficiency, health-technology, agri-technology. These networking

Networks	Focus Areas	Approx number of company members
Cambridge Network	General Business	1000+
CW (Cambridge Wireless)	Technology	400+
Cambridge Cleantech	Energy & environmental technology	391
One Nucleus	Life Sciences	470
Agri-Tech East	Agricultural technology	149
Digital People in Peterborough	Technology	Open to all
Opportunity Peterborough Bondholder Network	Business	200

organisations work alongside organic, community-driven networking opportunities highlighted successfully in [Tech Nation 2018 through Meet-Up data](#). The most popular Meet-Ups include Makespace Cambridge (2,246 attendees), Cambridge IoT (1,210) and Data Insights Cambridge (1,074). It has a larger Meet-Up scene than London when analysed proportionally to the number of tech workers.

Geographically, the majority of networking opportunities, other than the traditional Chambers of Commerce activities, take place in the area around Greater Cambridge. It is necessary to offer relevant business networking opportunities in Peterborough, Huntingdon and the surrounding market towns to accelerate growth in these areas – especially as transport infrastructure around Greater Cambridge can render the accessibility of networking opportunities frustrating. CPIER recommends the establishment of a networking Fellows programme to support and advise on the development of effective, localised networking opportunities. This Strategy supports that recommendation, understanding that while growth needs to be stimulated it needs to be done in a manner that suits, while interconnecting, the local communities.

However what needs to be added is a focus on constructing bridges across localised networks, so that a larger Authority-wide “network of localised networks” can be formed. The Business Survey expresses the perception that, in Greater Cambridge in particular, there is little need for more networks to set-up. Rather, the local community need to be encouraged to participate in initiatives already in existence and those networking groups should collaborate with each other to stimulate inter-network opportunities.

Furthermore, there are gaps in the networking landscape where this “network of networks” can collaborate to deliver new events that fill as-yet unmet demand. One example of this would be more sessions that unite the technology sector with regionally important vertical markets such as manufacturing, logistics and agriculture. Another example would be delivering impactful networking activities in districts that have, to date, been under-served by networking firms. In such instances, existing organisations will need to be financially supported by the Combined Authority to pump prime this new culture of networking before attendance increases, sponsorship is found and the private sector can make it viable. Strengthening existing networks and encouraging collaboration,

rather than increasing fragmentation will serve to increase the quality of the networking opportunities available.

The Strategy team analysed the relationships between the Meet-Up networks in Cambridgeshire and Peterborough. The results, visualised in the image below, demonstrate how individuals participate in multiple networking activities. However, it also demonstrates clear outlier networks, such as Software Testing in Peterborough, that could be more tightly included into a wider ecosystem. When analysed alongside the offering of networking firms, gaps emerge such as the running of IoT related events in the area around Peterborough to connect technology firms with potential collaborators and customers in the manufacturing and logistics sector.

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Rebranding networking: the smart-working philosophy

Networking is powerful driver, but the word itself does not do the concept justice. “Purposeful networking” or “Smartworking” may be better. Smartworking is based on the idea that a start-up or established technology company should not only spend time in their lab developing their product, they need to get out and see the forest through the trees. For many entrepreneurs and developers, this requires a planned and sustained investment of valuable resources (both time and money) in meeting new people from different fields – and this at a time when there is a lot of pressure to not to spend time on anything other than the task(s) in hand! The people who tend to stay in are those who feel they don’t get any added value from meeting people face-to-face, and that knowledge is found mainly in papers or on a website.

Networking provision needs to be made available and attractive to the next generation of technology professionals. There is a concern as to whether future engineers are able or willing to participate in the kind of networking previous generations have embraced, partially as a result of their experience of social media networks. Expectations are different, lengthy meetings during the working day often need to be replaced by short breakfast or early evening events, with highly participative groups, and an informal social feel.

Inter-organisational networking for junior engineers should be seen as central a part of the culture of a business as much as it is for senior commercial professionals. There is social strength in cohorts – the bonds that unite peers thrown into a new situation together – and this can be used by networking firms, acceleration programmes and incubators to unite junior professionals who are new to the region and form additional social capital between organisations.

High quality networking also relies on appropriate physical space being available. Not only is affordable space needed for community organisations to host events, but co-working spaces are required that inspire regular and informal conversation between businesses. [The Bradfield Centre](#) is a prime example of a building that has been constructed with networking at its heart.

An international example of where this has happened to great success in another context is the Helsinki Central Library Oodi. This newly designed 185,677sqft space incorporates co-working, event venues and traditional libraries under one roof. It anticipates about 2.5 million users annually. Similar spaces need to be available in other urban areas of the region and the market towns, not only to provide affordable office space to start-ups but also to ease the process of organising networking opportunities.

Currently underutilised public spaces such as libraries could be remodelled to fulfil the co-working and networking requirements of high-growth businesses. Such a need for accessible space could also correlate with the Healthy High Street programmes that seek to re-purpose the centres of town given the decline in the physical retail market. Educating and incentivising landlords to tolerate the different income streams of co-working spaces would be the first step to making this happen.

ENTREPRENEURSHIP

VISION

The Digital Sector Strategy's vision is to have more entrepreneurial technology businesses in the region that scale up to larger enterprises and that stay in the region. The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/5)
Local entrepreneurs need to have better access to information to help them grow	4.28
Better facilities for entrepreneurs are needed in the region	4.21
More local organisations need to be encouraged to scale to a large organisation, reducing the early exit rate	4.07
More entrepreneurs need to be incentivised to start their own business in CPCA	3.70
Start-ups need to be encouraged to set up right across the region, not just in current hotspots	3.60

INSIGHTS FROM QUALITATIVE ANALYSIS OF SURVEY DATA See Annex 1	INSIGHTS FROM QUANTITATIVE ANALYSIS OF SURVEY DATA See Annex 2
Startups should be supported at different stages of their journey by mitigating some of the risks they take, easier access to funding (INV) and knowledge sharing (KNO). There should be more advice about access to funding and local tax incentives. The region should attract more founders and co-founders and the whole region should be promoted to new startups. Startups need affordable working space where they can network and get access to infrastructure (DIG).	Stronger needs exist in both Fenland and Huntingdonshire indicating an asymmetric distribution of entrepreneurship hotspots. In detail, Fenland's answers prioritise <ul style="list-style-type: none"> "Start-ups needs to be encouraged to set up right across the region, not just in current hotspots" and "Better facilities for entrepreneurial success are needed in the region (e.g. affordable offices)" While Huntingdonshire's answers prioritise

	<ul style="list-style-type: none"> • “More entrepreneurs need to be incentivised to start their own business in CPCA” and • “Local entrepreneurs need to have better access to information to help them grow”
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RECOMMENDATIONS	
For public sector	For private sector
<p>Ensure the presence of high-quality, supportive spaces for start-ups to grow across the region, along with financial stimulus that encourages growth in desired areas, for example business establishment in non-Cambridge launchpads, or digital businesses focused on products/services for Manufacturing / Agriculture / Logistics.</p> <ul style="list-style-type: none"> • Provide high quality, supportive co-working space or launchpads for start-ups, for example by reinventing libraries into skills zones or transforming high street spaces into co-working and networking spaces, and reconsidering business rates for such space use (see High Impact Networking and Talent & Skills). • Create a CPCA Digital Innovation Fund (similar to the Northern Powerhouse Investment Fund and as a subset of the planned CPCA Innovation/Accelerator growth investment fund), supported by the British Business Bank, for digital start-ups with a particular focus on convergence activities and establishment in hubs outside Cambridge city. • Continue co-funding in accelerator, launchpads and incubator programs run by universities, charities, private organisations, and companies. 	<p>Established networking firms and universities to deliver knowledge sharing programmes that match different stages of start-ups, from birth to scale-up, along with networking and mentoring opportunities throughout the region.</p> <ul style="list-style-type: none"> • Tailored capability programmes on culture, building a board, building teams, marketing, developing an international strategy, and support in finding the first customer. • Tailored programme for target high growth firms. • Establish entrepreneur mentoring programmes, led by local start-up Fellows. • Provide these education opportunities at a local level.

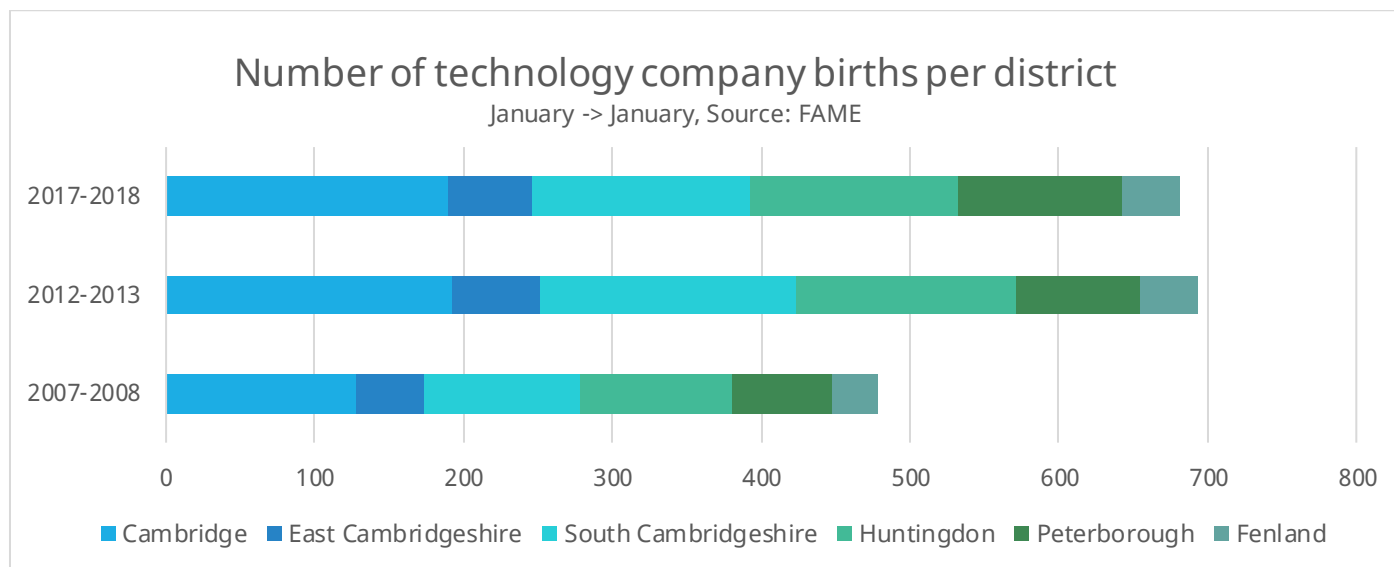
High levels of successful enterprise births and their temporal up-scaling, jointly, form the key determinants of high productivity for a region. They not only promise job creation, but attract inward investment, talent, co-founders and new ideas. Accelerator programs have had an important effect in increasing the valuation of the start-up companies which are often funded by ERDF (European Regional Development Fund) projects²⁴.

A sectoral analysis of technology start-ups in the region in 2017 using the [fame database](#) shows that the most common subsector for firms to start in is “Computer Consultancy” (144 start-ups), followed by “Business and Domestic Software Development (84 start-ups) and “Research and experimental development on biotechnology” (43 start-ups).

A geographical analysis of technology start-ups using the same source shows that within Cambridgeshire & Peterborough, Peterborough is the only region with more technology businesses starting up in 2017 than in 2012, South Cambridgeshire boasts the most growth in any one period with 70% more technology businesses being founded in 2012 than in 2007 and Fenland holds the fewest technology business start-ups of all areas. The geographical discrepancies in technology entrepreneurship are clear, and the Business Survey shows that there is a wish in the districts where

²⁴ [Accelerating the UK, Beahurst](#)

start-ups are less prevalent (Fenland, Huntingdonshire, Peterborough) to have more businesses encouraged to start in these areas, and for there to be local facilities to support this.



The *pulling* effect of Greater Cambridge's agglomeration cannot be denied, nor can the fact that physical proximity greatly improves networking and collaboration effectiveness. However, Greater Cambridge and South Cambridgeshire are not the only areas where start-ups can benefit from proximity effects. There is an opportunity to co-locate technology start-ups closer to similar organisations and their customer base by, for example, in establishing an agri-technology sandbox in Fenland.

Such physical proximity will also ease the process of knowledge transfer and accelerate the adoption of new technologies by industry. The Business Survey generated the insight that Fenland, Peterborough and Huntingdon place more importance in start-ups being encouraged to set up around the region than East Cambridgeshire, South Cambridgeshire and Greater Cambridge. To kickstart the process of encouraging technology start-ups to establish in vertical market-based hubs throughout the region, the Combined Authority may need to offer financial support. The creation of a CPCA Innovation Fund (similar to the Northern Powerhouse Investment Fund and as a subset of the planned CPCA Innovation/Accelerator growth investment fund) is recommended that will nurture digital start-ups with a particular focus on convergence activities in priority markets, and to help them establish in hubs outside of the City of Cambridge.

There is already provision for start-ups within Cambridgeshire and Peterborough in terms of networking, workspace, access to mentors, access to investors and opportunities to learn from experienced entrepreneurs (see table below for more details). However, this provision is Greater Cambridge and South Cambridgeshire focused, with only a few opportunities in Peterborough such as the Allia Future Business Centre and the University Centre Peterborough. The Business Survey generated the insight that Fenland in particular prioritises better facilities for entrepreneurs and Huntingdonshire believes that local entrepreneurs need to have better access to information.

Universities & research institutes	Investment firms	Incubators / Accelerators / Training Programmes	Competitions / Events
University of Cambridge	Cambridge Capital Group	IdeaSpace	PitchFest
Anglia Ruskin University	Cambridge Angels	Bradfield Centre	CW Discovering Start-Ups
Babraham Research Institute	CIC	Allia Future Business	Cambridge University Entrepreneurs
Wellcome Genome Campus	Cambridge Enterprise	Cambridge BioMedical Campus	Start-Up Science
University Centre, Peterborough	Amadeus Capital Partners	St John's Innovation Centre	Venturefest East
Medical Research Council	IQ Capital	Babraham Institute BioIncubator	
Leverhulme Institute	Delin	Barclay's Eagle Labs	
		CJBS Accelerate Cambridge	
		ARU REACTOR Gamification	

Despite the level of provision that is currently available in Greater Cambridge, the Business Survey suggested that the greatest priorities for accelerating entrepreneurship in the region are to provide better facilities and better access to information to help start-ups grow. Furthermore, as a respondent to the Business Survey succinctly puts it, for start-ups, “the best funding is a customer”.

Basic market-oriented thinking would suggest that if a product or service is well positioned and well executed, the customers will come. However, it is worth noting that technology start-ups may struggle with having the skills and network to produce initial revenues. If there is a wish to encourage technology entrepreneurs to establish businesses across the region, provision of mentor programmes, investor access, education and networking events must be more readily available at a local level. The existing networking firms and higher education establishments are best placed to offer this service, with funding from the Combined Authority needed to reduce the risk of entering new markets. There is also an opportunity to establish more start-up co-working spaces in different areas of the region that solve the affordable office space, offering a “soft landing” for embryonic technology firms. One option for delivering on this is to transform underused public spaces such as libraries into effective start-up co-working or maker spaces.

The needs of scaleup business leaders remain clear and consistent. With ambition to grow and scale even further and faster, they want: talented workforces; opportunities to share and learn from successful peers; wider access to markets both at home and overseas; and access to growth finance that is ‘patient’ and ‘smart’. Scale Up Institute Review, 2017

INVESTMENT AND FINANCE

VISION

The Digital Sector Strategy's vision is that the region has an abundance of strategic and patient financial resources to grow businesses. The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/ 5)
Current information on funding needs to be easier for local businesses to access	4.19
Improved funding terms need to be available to businesses looking to scale	4.18
A larger pool of funds needs to be available to local technology organisations that are scaling	4.15
More diverse sources of funding need to be available to local technology organisations that are scaling	4.12
More funds need to be available to local industries seeking to invest in cutting edge technology	4.08
Different investment models (e.g. crowdfunding, angel funding) need to be more readily available	3.96

Insights from Qualitative analysis of survey data See Annex 1	Insights from Quantitative Analysis of survey data See Annex 2
There should be better access (NET) to different types of funding (national, international) which is connected to expertise (mentors, advisers) (TAL, KNO) in running and growing a business (IND). More advice and training are needed about different types of finance instruments, and tax breaks, especially for small companies (ENT).	All the different priorities were considered as a "top priority" in Fenland, clearly indicating a very wide set of needs around information and access to finance and investment. Meanwhile, Huntingdonshire identifies the need for "Improved funding terms for local businesses looking to scale" as the key priority, indicating the willingness to scale

RECOMMENDATIONS	
For public sector	For private sector
<p>Create a CPCA Digital Innovation Fund (similar to the Northern Powerhouse Investment Fund and as a subset of the planned CPCA Innovation / Accelerator Growth Investment Fund), supported by the British Business Bank, for digital start-ups. This Fund should complement the offering of local angels and venture capitalists, but focus on:</p> <ul style="list-style-type: none"> encouraging set-up in non-Cambridge districts and in complementary hubs supporting convergence projects The Innovation Fund should support start-ups in generating prototypes if sourcing from local companies 	<p>Increase the quality, visibility, accessibility of financial information & support</p> <ul style="list-style-type: none"> Balanced, unbiased education on the various finance options for business growth needs to be locally accessible, with experienced entrepreneurs available to educate business leaders and encourage start-ups to be ambitious in their finance strategy. The proposed Fellows network (see Entrepreneurship) should help supply this need. Support the formation and upscaling of local - as well as access to global - crowdfunding platforms Local networking opportunities for angel investors for the purpose of knowledge sharing and attracting new investors.

BACKGROUND ON INVESTMENT & FINANCE IN CAMBRIDGESHIRE & PETERBOROUGH

[The East of England Science and Innovation Audit](#) claimed that Cambridge is a low risk place to make high risk investments, and that the East of England has the capacity to commercialise knowledge to a level that London cannot. On top of standard UK funding opportunities, there are a broad range of investment firms based in Cambridgeshire & Peterborough that target the technology start-ups that regularly spin out of the universities and consultancies in the region. Furthermore, there is a culture specifically in Greater Cambridge of successful entrepreneurs re-investing in the next generation of technology start-ups, offering both mentorship and money.

TECHNOLOGY INVESTORS BASED LOCALLY INCLUDE:

Name	Fact
Cambridge Angels	More than 60 high-net worth investors who have proven experience as successful entrepreneurs in technology, internet, software, hardware, digital healthcare and life sciences.
CIC	Focused on building healthcare and technology businesses
Amadeus Capital Partners	Focused on AI & machine learning, online consumer services, cyber security, digital health and medical technology, digital media, enterprise SaaS, fintech.
Cambridge Capital Group	Well-screened investment opportunities in hi-technology sectors such as engineering, internet, software, medtech, biotechnology, electronics, fintech and wireless communications.
University of Cambridge Enterprise Fund / Cambridge Enterprise	Investment in early stage technology companies as they spin-out of the University

However, feedback from the entrepreneurial community in reports (such as those conducted by the [Scale Up Institute](#)) and from this strategy's Business Survey highlight that the current level of financial information - and support - may be insufficient. Insights showed that more guidance should be freely accessible regarding the financial options available and, at its best, funding when granted should be linked to expertise and support. This could reflect the fact that while there are a wide range of '1:many' sources of information available (see inset, below), each business is different and

'1:1' knowledge sharing opportunities with an experienced financier or entrepreneur would be more beneficial and trusted. Balanced, unbiased education on the various finance options for business growth needs to be locally accessible through events, clinics or other activities, with experienced entrepreneurs available to educate business leaders and encourage start-ups to be ambitious in their finance strategy. This is possible for local networking firms to deliver.

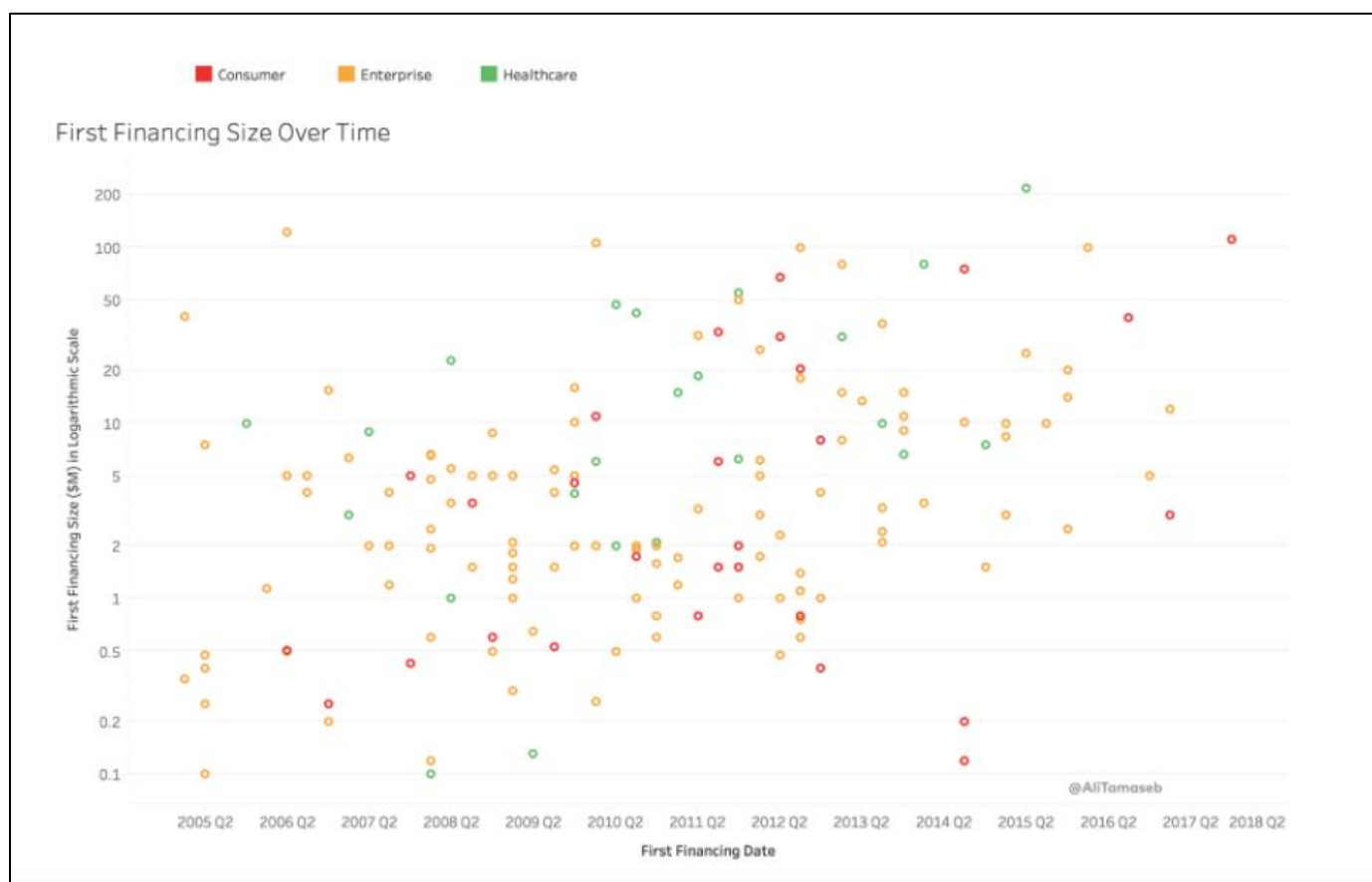
Sample sources of investment & finance information for start-ups

- [Invested Investor website](#)
- gov.uk: [Finance and support for your business](#)
- [British Business Bank: Looking to start-up](#)
- [UK Business Angels Association website](#)
- gov.uk: [Business innovation – what funding you can get and how you can apply](#)
- gov.uk - [Innovation Loans and how to apply](#)

For the sake of the international leadership ambitions of this strategy, we need to make international comparisons. The Audit claims that many firms are starting to look abroad for early stage funding where the attitude towards risk appears to be more forgiving – despite the aforementioned perspective of Greater Cambridge as a low risk place to make an investment!

There is the perception of greater readiness for venture capitalists in Silicon Valley, for example, to supply multi-million-pounds of capital to an unproven start-up compared to those in Cambridgeshire & Peterborough. In different business cultures, growth can be valued more highly than revenues, and that value provides ambitious entrepreneurs the cash they need to scale fast – cash which in the UK would only start to come more easily when revenue streams have been proven. As can be seen through the chart below, first investments for billion dollar firms have been getting incrementally bigger over the years in the United States²⁵. This suggests that for Cambridgeshire & Peterborough firms to compete on a global market, deeper pools of resources across all stages of funding rounds needs to be available. Tax reliefs for angel investors, such as the [Enterprise Investment Scheme](#). Similarly, networking and education among angel investors is important for knowledge sharing and encouraging more individuals into the practice of angel investment.

²⁵ [Land of the "Super Founders"—A Data-Driven Approach to Uncover the Secrets of Billion Dollar Startups](#)



Note logarithmic left hand scale for left hand chart.

Recent years have seen a rise in alternative funding methods (driven, incidentally, by improved digital functionality). Frontier Developments, for example, recently raised well over £1m through the Kickstarter crowdfunding platform for its “Elite: Dangerous” product. While online crowdfunding is now a recognised component of the early finance market for a new business and has grown significantly in recent years, recent research found that it is tough to reach a target and three quarters of all projects fail to do so²⁶. Investor-led services such as the Cambridge-based Syndicate Room are helping to provide opportunities that have undergone due diligence offers an alternative model.

The latest data from the British Business Bank²⁷ suggests that 70% of smaller businesses would rather accept slower growth than take on external finance to accelerate growth. This trend, based on the mistrust caused by the 2008 crisis, needs to be explored in relation to the Cambridgeshire & Peterborough digital sector and if it is an issue then it needs to be reversed. Balanced, unbiased education on the various finance options for business growth needs to be locally accessible, with experienced entrepreneurs available to educate business leaders and encourage start-ups to be ambitious in their finance strategy. Some national initiatives are already in existence, for example

²⁶ Davies, W. E. and Giovannetti, E. (2018). [Signalling experience & reciprocity to temper asymmetric information in crowdfunding evidence from 10,000 projects](#). *Technological Forecasting and Social Change* Volume 133, August 2018, Pages 118-131

²⁷ [Going for Growth: Helping Small Firms Flourish through Access to Finance](#)

The Treasury and British Business Bank's Referral Scheme, the Business Finance Guide and expansions in the coverage of the Enterprise Finance Guarantee and ENABLE.

Compared to the graph above which suggests that the majority of billion dollar, US businesses are venture-capital backed, the reality in the UK is that most small firms tend to not look beyond traditional banks to fund their business. In this instance, if credit is not approved (for example, due to risk) then the bank should signpost alternative funding options to the entrepreneur as a venture capitalist, typically, is a lot less risk averse than a bank.

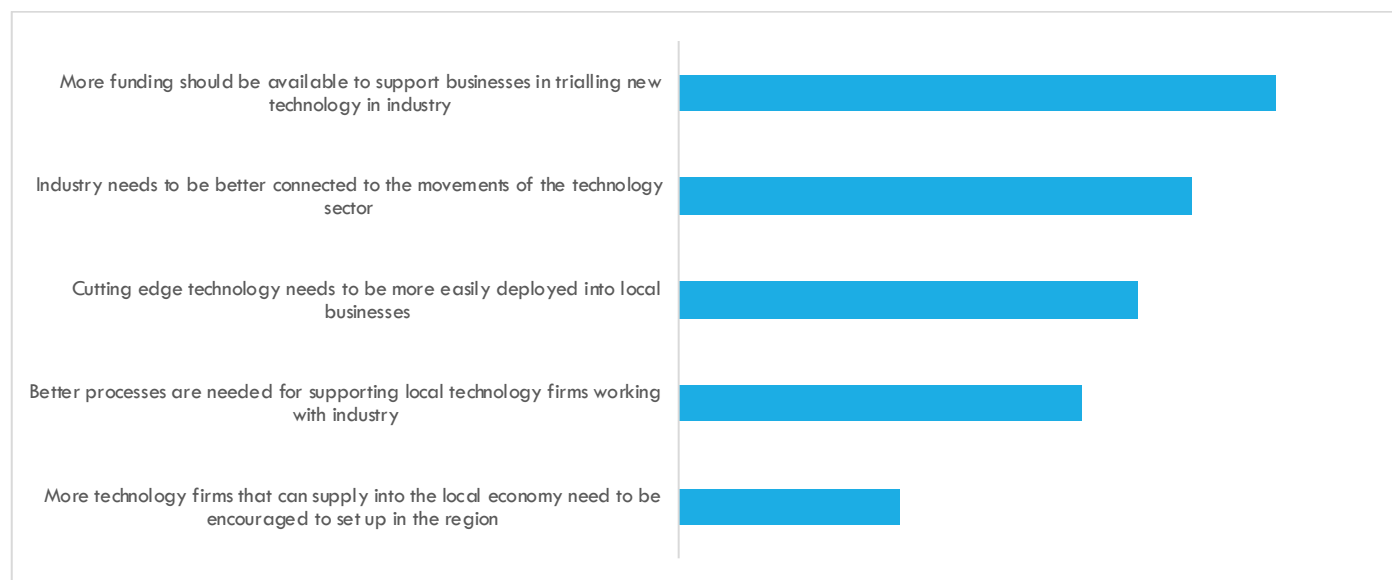
While advice on funding and scaling up can help, the most economically significant companies in Greater Cambridge (and elsewhere in the UK) have in nearly all cases developed their technology within a "soft company" model, using lead customer R&D funding to delay, minimise or avoid the need for venture capital. This in turn has enabled founders to retain control, avoid early trade sales and to grow sizeable full-function businesses. This applies to, for example, Domino Printing, Frontier, Xaar and CAT. To make adequate returns for its investors, venture capitalists must look for early trade sales which nearly always leads to the truncation of further growth and the acquisition of British businesses by foreign investors. These early trade sales are not necessarily to be avoided. However, there is a role for public sector policy to help entrepreneurs avoid venture capitalism if they wish to. Policy can aim at increasing lead customer funding for R&D and trials from both public and private sectors and at increasing other forms of non-dilutive start-up funding. This has the benefit of both enabling entrepreneurs that want to retain control to do so, and of de-risking more companies to the point where they are "venture-ready".

The creation of a CPCA Innovation Fund (with the remit to support start-ups developing technologies with potential applications in target sectors for the region such as ICT, manufacturing, logistics, agriculture, and to encourage locating in business hubs outside of the immediate Greater Cambridge cluster) has already been proposed in the Entrepreneurship chapter of this report. This Fund needs to complement the offering of local angels, venture capitalists and banks. It should be used to de-risk the creation of prototypes, and establish the public sector as a reference customer which the start-up can then utilise to raise further investment (or customers) elsewhere. This Fund exists to fill the current market lack of funding in convergence activities, with the goal that demonstration of success will encourage future private investment.

APPLICATION IN INDUSTRY

VISION

The Digital Sector Strategy's vision is that the CPCA region becomes a region where local technology companies deploy the latest technologies to transform vital industries. The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/ 5)
More funding should be available to support businesses in trialling new technology in industry	4.23
Industry needs to be better connected to the movements of the technology sector	4.17
Cutting edge technology needs to be more easily deployed into local businesses	4.13
Better processes are needed for supporting local technology firms working with industry	4.09
More technology firms that can supply into the local economy need to be encouraged to set up in the region	3.96

Insights from Qualitative analysis of survey data See Annex 1	Insights from Quantitative Analysis of survey data See Annex 2
Share knowledge (KNO, NET) and business opportunities (IND) to create and grow high quality technology companies (ENT) in new technology sectors.	<p>This question addressed a more active pro-positive stance, asking to look at the critical elements needed to transform the future. Fenland considered all these technology issues of critical importance; so too did Peterborough and Huntingdonshire, though with slight less intensity. In detail, both</p> <ul style="list-style-type: none"> • "Industry needs to be better connected to the movements of the technology sector" and • "Cutting edge technology needs to be more easily deployed into local businesses", were of key relevance for Fenland

	<p>Peterborough and Huntingdonshire as well as Greater Cambridge</p> <ul style="list-style-type: none"> • “Better processes are needed for supporting local technology firms working with industry” is critical for Fenland Peterborough and Huntingdonshire, South Cambridgeshire as well as Greater Cambridge • “More funding should be available to support businesses in trialling new technology in industry” is, as expected, relevant for all areas, even though with some variation in intensity, while • “More technology firms that can supply into the local economy need to be encouraged to set up in the region” was relevant for Fenland, Peterborough and South Cambridgeshire
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RECOMMENDATIONS	
For public sector	For private sector
Create a CPCA Digital Innovation Fund (similar to the Northern Powerhouse Investment Fund and as a subset of the planned CPCA Innovation / Accelerator Growth Investment Fund), supported by the British Business Bank, for digital start-ups with a particular focus on convergence activities and establishment in hubs outside Greater Cambridge.	Establish Leadership Councils for Technology in Manufacturing, Logistics and Agriculture that identify opportunities and blockers and accelerate the deployment of technology in industry.

BACKGROUND ON CONVERGENCE IN CAMBRIDGESHIRE & PETERBOROUGH

It was established at the start of this report that the highest revenue generators in the region were not technology organisations, but those in other sectors. This chapter of the strategy considers not how the technology sector can be made more productive, but how a vibrant and engaged technology community can be an enabler for productivity growth in local vertical markets such as agriculture, manufacturing and logistics.

Developments such as advanced telecommunications, sensor technology, mobile computing and artificial intelligence promise productivity improvements. A lot has been made of the benefits of the Fourth Industrial Revolution. Recent 5G trials in Worcestershire suggest that a “smart”, 5G-connected factory floor could increase manufacturing output by 1% simply by improving the processes around machine maintenance – such growth will benefit the economy around Peterborough. A [recent Deloitte report](#) suggests that just 20.7 percent of firms rate themselves as “highly prepared” to address the emerging business models of the Fourth Industrial Revolution. Furthermore, virtual reality is transforming the product design and customer feedback loop, and additive technologies (3D printing) are delivering new product creation capabilities. In Cambridgeshire and Peterborough, 2659 businesses have been identified within the High Manufacturing and Materials sector, with a geographical distribution that focuses on the East of the region. These businesses are concentrated around Peterborough, St Neots, Cambridge, Huntingdon, Wisbech and March. One such organisation is Stainless Metalcraft, based in Chatteris, which

manufactures equipment for some of the world's most dangerous environments, including nuclear, oil & gas and petrochemical industries. The CPCA has identified that challenges in support for the manufacturing sector include lack of affordable start-up support and funding, limited scale-up advice and funding, lack of support in rural areas and limited grow on space at affordable prices²⁸.

The goal of the agricultural sector is sustainable intensification, and with Fenland operating 50% of the UK's Grade 1 land, Cambridgeshire and Peterborough hosts substantial operations by some of the world's leading agricultural and agri-technology companies including G's and Associated

Crops grown in the Fens		
Crop	Acres grown in the Fens	Percentage of total English acreage
Vegetables grown in the open	72,000	37%
Potatoes	62,000	24%
Sugar beet	53,000	17%
Bulbs and flowers grown in the open*	5,500	38%
Source: June agricultural census 2006, DEFRA. *2004		

British Foods. Around 25% of Syngenta's research collaborations are in the UK with their UK HQ located in Cambridgeshire & Peterborough. This includes recent investments in a £2 million glasshouse and a £3.5 million facility for the automated formulation of agri-chemicals. A [2013 Governmental report](#) for the agricultural sector showed that the sector is diverse and complex, making it difficult for individual institutions to make connections to develop new partnerships. At the same time, the UK has a highly-regarded basic research base but there has been a lack of funding for applied and translational research. This finding was echoed by the East of England Science and Innovation Audit. At least partly as a result, the UK's competitiveness in agriculture has been in decline for a number of years. Across the UK, the same report states that the top 10% of farms produce more than £180 output per £100 input while the bottom 10% fail to recover their costs. Differences in motivations and natural circumstances can partly explain this disparity. However, inconsistent levels of knowledge, slow uptake of technologies and perceived or actual barriers to knowledge transfer are often contributory factors. As an example of how technology could be deployed to improve outcomes for farmers, [a recent trial](#) showed that integrated soil-crop system management programme developed by Cui Zhenling and his team at the China Agricultural University, increased yield by 10% while cutting nitrogen use by a fifth. The Government has invested in a number of Agri-Technology centres, including Agrimetrix, the Agri-EPI Centre, CHAP and CIEL, but none are in the Cambridgeshire and Peterborough region despite Fenland and the surrounding area having such a strong and rich agricultural future. The networking organisation [Agri-Tech East](#) provides a strong focus for this sector.

²⁸ Hethel Manufacturing Sector Review

In the logistics sector, in 2005, radio frequency identification (RFID) tags were introduced in a bid to make the supply chain more efficient. This technology is attached to individual items so they can be tracked whilst in transit, retailers also use these tags in order to have a better overview of the stock they currently have in their warehouses or stores. More recently, companies have looked towards utilising automation software or cloud-based networks to improve efficiency across the supply chain. A benefit of cloud-based systems is that they are cheaper to install, they fix supply-chain problems at their source and can be used by companies across networks, regardless of the locality of the user. The logistics sector is working on introducing drones (or unmanned aerial vehicles) in order to make the delivery of goods cheaper and more efficient. For example, DHL is piloting its Parcelcopter 2.0 project, which uses drone technology to deliver time-sensitive goods (like medicine) to remote locations, quicker and more effectively than aeroplanes or ferries could achieve. Similarly, Amazon is at the forefront of developments with drones. Ocado's Customer Fulfilment Centres have transformed the efficiency of warehouses through the application of bespoke wireless technology and automated robots.

We suggest that leadership, coordination and funding is needed to accelerate the regional deployment of technology into vertical markets with a particular focus on agriculture, manufacturing, logistics and Healthcare. This leadership should come from business, with support from local government and funding from private sources and public sources, such as Innovate UK. We suggest the establishment of Cambridgeshire and Peterborough Leadership Councils for the sectors of Manufacturing, Logistics and Agriculture to identify opportunities for the regional deployment of technology in these industries, to monitor the potential rise of barriers and remove blockers collaboratively, to educate peers on best practice (for example with relation to intellectual property) and to coordinate funds for convergence activities.

The East of England Science and Innovation Audit identified unlocking investment in the process of convergence as a significant weakness of the region. Given that one of the routes for digital technologies to add significantly to regional GVA is through the adoption of more efficient technologies by industry, it is essential that there is sufficient and accessible funding to support this process. This strategy has already recommended the creation of a regional Innovation Fund that supports the establishment of start-ups - outside of the Cambridge City area - and funds specific projects that will demonstrate the capabilities of a new technology within its target sector. In such a way the public sector can help de-risk the process of developing new technologies for application in industry by becoming a potential funder, or reference customer, from which the start-up can prove concept and, from that point, more easily grow its revenues if the product is viable and the market exists.

Colocation and clustering is key to achieving application within industry at pace. Learnings can be taken from the agglomeration effects of Greater Cambridge. Space should be provided within Cambridgeshire & Peterborough for hubs that focus on target sectors such as manufacturing, agriculture and logistics, within which technology firms that target those markets can also reside. These hubs should be encouraged in science parks outside of Greater Cambridge, both to relieve the

stress on that city's infrastructure and to spread the benefit of high growth business throughout the region. To enable cross-sector idea pollination, each business park should have a community space able to support networking events, and sufficient transport infrastructure to enable access. Each business park should have a central communication system or co-ordinator that signposts opportunities and builds inter-organisational connections.

[NOTE: Health and Social care technologies are recognised as being a strategic vertical sector where digital technologies play an increasing role improving both efficiency and the quality of care, and where the region is extremely well positioned to lead applications. We understand a separate strategy is being developed for the Health and Life Sciences].

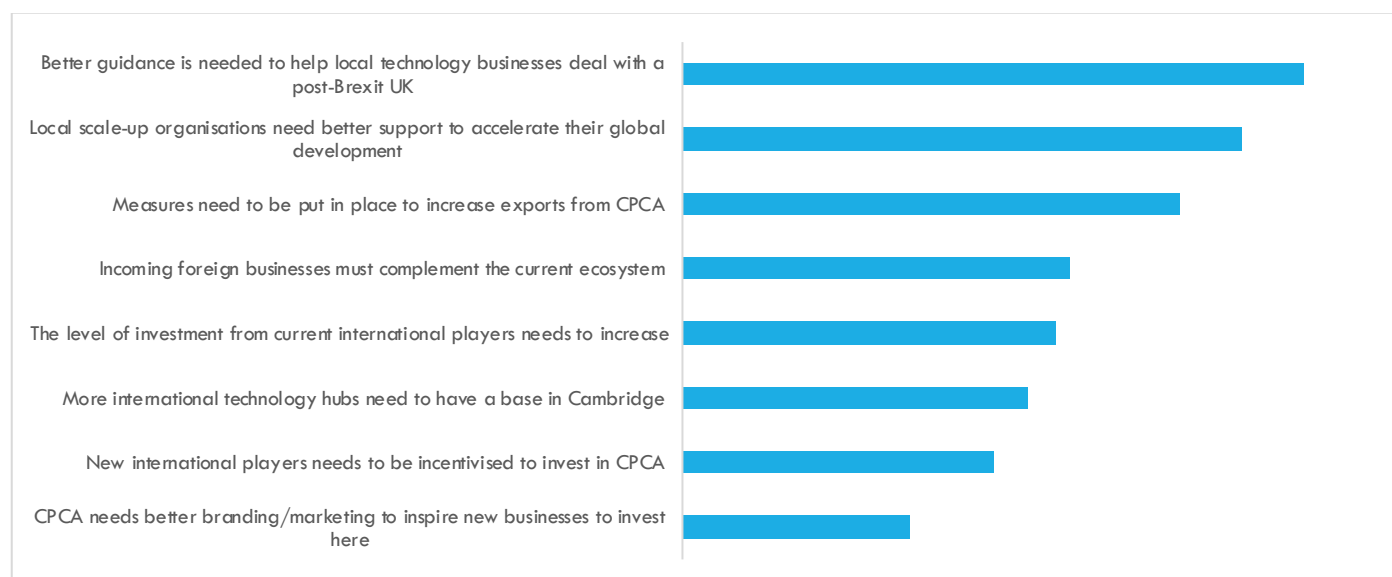
INTERNATIONAL - FOREIGN DIRECT INVESTMENT AND INTERNATIONAL TRADE

VISION

The Digital Sector Strategy's vision is that

- Foreign Direct Investment should continue to play a significant part in the sector's development, with major corporates increasing their commitment to the region, and new corporates complementing the technology eco-system.
- The proportion of CPCA export earnings from local technology companies in goods and services doubles in 5 years.

The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/ 5)
Better guidance is needed to help local technology businesses deal with a post-Brexit UK	4.20
Local scale-up organisations need better support to accelerate their global development	4.11
Measures need to be put in place to increase exports from CPCA	4.02
Incoming foreign businesses must complement the current ecosystem	3.86
The level of investment from current international players needs to increase	3.84
More international technology hubs need to have a base in Cambridge	3.80
New international players needs to be incentivised to invest in CPCA	3.75
CPCA needs better branding/marketing to inspire new businesses to invest here	3.63

INSIGHTS FROM QUALITATIVE ANALYSIS OF SURVEY DATA	INSIGHTS FROM QUANTITATIVE ANALYSIS OF SURVEY DATA
See Annex 1	See Annex 2
<p>Government should give grants (INV) for companies going international (EXP), to attend international trade fairs and meet customers and potential customers (NET, IND). Startups are born global (ENT) but they need advice about international trade (EXP), taxes. Brexit is causing uncertainty (EXP, INV).</p> <p>Foreign funding is used to scale up companies globally (EXP), to bring new knowledge (KNO) and connections (NET) to the region and wealth. Cambridgeshire & Peterborough should offer soft landing services to foreign companies considering this region for investment (EXP). When businesses visit Greater Cambridge they should see all opportunities (UK, INV) not just those in the city of Cambridge. Brexit uncertainty is a serious issue at the moment (EXP).</p>	<p>Fenland and Huntingdonshire express two key areas of concern, while East Cambridgeshire and Peterborough focus mainly on one. In detail</p> <ul style="list-style-type: none"> • “Local scale-up companies need better support to accelerate their global development” is the top priority shared between Fenland Huntingdonshire and East Cambridgeshire • The next priority is “Better guidance is needed to help CPCA technology businesses deal with a post-Brexit UK” as a top priority in the Fenland and Peterborough • Finally “Measures need to be put in place to increase exports from CPCA”, is of top importance for Huntingdonshire <p>Foreign Direct Investment generates three areas of priority perceived as highly relevant. In Fenland this is:</p> <ul style="list-style-type: none"> • “Incoming foreign businesses must complement the current ecosystem” <p>In Huntingdonshire the highly relevant priorities are that:</p> <ul style="list-style-type: none"> • “New international players needs to be incentivised to invest in CPCA” and • “The level of investment from current international players needs to increase” <p>This final priority is also of key relevance for East Cambridgeshire.</p>

RECOMMENDATIONS	
For public sector:	For private sector:
<ol style="list-style-type: none"> 1. Foreign Direct Investment <ul style="list-style-type: none"> • Build a compelling Greater Cambridge cluster brand and marketing programme that promotes the Greater Cambridge value proposition for technology investment into the region. • As part of an agreed strategy, target major investments that will complement the regional technology ecosystem. • Ensure that an effective regional inward investment sales function is being delivered across the region by providing a concierge and retention/expansion service for corporate investors, working through existing business networks. 2. International Trade: <ul style="list-style-type: none"> • work through Department for International Trade (DIT) and local intermediaries to support bespoke programmes aimed at enabling scale-up companies to “go global”. 	<ol style="list-style-type: none"> 1. International Trade: <ul style="list-style-type: none"> • Encourage large regional companies to participate in outbound missions to demonstrate the motivation and expertise of the region, and support cohorts of new technology exporters. • Encourage local intermediary organisations to develop relationships with 2-3 overseas technology hubs . [eg: Israel, Shenzhen, Silicon Valley, Singapore, Helsinki] and encourage partnerships and networking between companies.

BACKGROUND ON INTERNATIONAL IN CAMBRIDGESHIRE & PETERBOROUGH

ICT and digital businesses are naturally globally orientated. While there are customer and convergence opportunities both within the region and the UK, the largest opportunity for business growth sits internationally.

FOREIGN DIRECT INVESTMENT (FDI)

At the time of writing the landscape is uncertain. 50% of all Global FDI into Europe was captured in 2017 by UK, France and Germany, with the UK leading the pack. However, Brexit has had a dampening effect with logistics, financial services and HQs all down on previous levels, and a worrying acceleration in outbound investment to continental Europe. 30% of respondents to the [EY 2018 European Attractiveness Survey](#) of 502 global businesses in June 2018 state that Brexit will have an impact on their footprint or activities. But EY data also suggests that digitisation is revolutionising almost every industry, and foreign investors are launching numerous projects to provide digital services to their clients or streamline their own operations. The Digital Economy is perceived to be the most important sector in terms of driving growth.

Nationally, over the last 3 years the East of England accounted for 5.07% of all FDI projects, and 4.84% of all FDI jobs²⁹. Meanwhile, over the last 2 years ICT/Digital sectors have accounted for 32% of all FDI projects and 21% of all FDI jobs³⁰. For Cambridgeshire and Peterborough, the ICT/Digital sector remains a vital part of the attractiveness of the region to overseas investors. The table below consolidates 3 years of Foreign Direct Investment project successes, as reported to the Combined Authority/LEP and the Department of International Trade. It is worth noting the imbalance of foreign direct investment across the region, with Greater Cambridge and South Cambridgeshire hosting 90% projects and 95% of jobs.

Consolidated 3 year FDI Combined Authority/LEP statistics	2015-18	2015-18	2015-18	2015-18
	All Sectors	All Sectors	ICT/Digital sector	ICT/Digital sector
	Projects	Jobs	Projects	Jobs
Cambridge	66	2178	32	1551
East Cambs	9	179	2	53
Fenland	4	18	0	0
Huntingdonshire	11	215	1	28
Peterborough	17	416	2	42
South Cambs	51	1526	13	438
Grand Total	158	4532	50	2112
% share	100%	100%	32%	47%

²⁹ DIT Inward Investment Results

³⁰ DIT: Sector breakdown for involved FDI Projects 2016-18

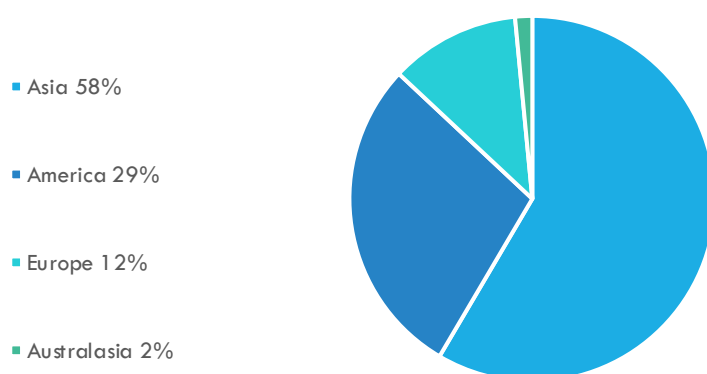
32% of FDI projects between 2015-2018 going to the ICT/digital sector matches the national % share for ICT investment, but the region attracts over double the % of jobs (47% compared to 21%). Overseas ICT/Digital sector companies are continuing to locate substantial operations in the region, often R&D based.

For comparison, over the same period, the life science & healthcare sectors attracted 24% of all projects and 24% of FDI jobs created.

Geographically the top 5 countries over the last 3 years in terms of ICT Jobs created through FDI are listed in the table to the right, showing the dominance of companies from Japan, USA and China. The chart below explores the % distribution of these ICT FDI jobs by continent and shows that Asia accounts for nearly 60% of all technology-based investment into the region.

Country	ICT jobs created through FDI
Japan	717
United States	552
China	503
France	101
Canada	48

Combined Authority Region - ICT Sector Foreign Direct Investment Successful Projects:
Jobs by continent



CBR research covering 2015-16 and 2016-7 confirms the importance of FDI to knowledge intensive companies in the Combined Authority area. Knowledge intensive (KI) companies are much more likely to be foreign owned than other (Non-KI) companies. According to CBR data, Peterborough has 67% of KI employment and 82% of KI turnover in foreign owned companies. Cambridge has 75% of KI turnover in foreign owned companies. Whereas Fenland has 5% of KI employment and 3% of KI turnover in foreign owned companies. It is critical to not underestimate the importance of foreign ownership on the knowledge intensive sector of the region.

Many major Technology corporations have a presence in the region (Google are relatively close by at their London Kings Cross HQ):

Amazon	Microsoft
Apple	Nokia
Citrix	Qualcomm
Huawei	Samsung
Intel	Toshiba
MediaTek	

Greater Cambridge has grown several global ICT/Digital businesses over the last twenty years. Many have been acquired by overseas companies (see the table to the right for some prominent examples).

The acquisition experience has not always been positive. A well-known example is how, in 2006 Motorola paid over £100m to buy TTPcom, then in 2008 laid off 155 staff, and pulled out shortly afterwards. Yet it is a mark of the 'stickiness' of the Greater Cambridge cluster that talented personnel stayed in the region and became absorbed into other technology companies or started their own businesses.

The region continues to grow global businesses. Frontier Developments, a gaming company founded in 1994, has a market value of £659m. Quixant, founded in 2005 and which produces products for gaming machines, has a market value of £295m³¹. Darktrace is latest example of extremely rapid growth: started only in 2013 the company was valued at \$1.25bn in July 2018 and employs 800 people worldwide.

It is the combination of home-grown businesses and talent, with the very substantial investment made by large, international corporates into the local economy that makes the region so compelling - the agglomeration effects referenced in the recent CPIER report make Greater Cambridge in particular a highly desirable and prestigious place for an ICT/Digital business to be based.

And yet, the resources publicly invested in the Inward Investment function for the region remain extremely low in comparison to other parts of the country. For example, London & Partners have a budget of £12m, Marketing Manchester has a budget of £7.6m (not including MIDAS the FDI agency).

This means that there are few locally deployed assets to target specific companies to invest in the region, and very little attention given to how early visits from interested investors can be professionally concierged. Interviews during the development of the strategy confirmed that potential ICT investors sometimes did not explore the region because the ability to quickly and easily

Autonomy was founded in 1996, listed in 1998 and sold to HP for \$11bn in 2011.

CSR was founded in 1998, floated in 2004 and sold to Qualcomm for \$2.4bn in 2015

CSR sold its handset technology division to Samsung for \$310m in 2012. Recently Samsung announced the opening of a new AI centre in Cambridge in May 2018.

ARM was founded in 1990, floated in 1998 and sold to Softbank Group for \$31bn in 2016.

Aveva (formed out of the UK government funded CAD centre in 1994) and with revenues of £215m in 2017, agreed to merge with France-based Schneider Electric in 2018. Schneider Electric is now the largest shareholder.

³¹ CBR

pull together a comprehensive and bespoke visit programme was not in place, in comparison to other UK regions. Interviews also suggest that sometimes investor visits can be somewhat haphazard, with no clear docking point and organisational lead.

Much inward investment will come from re-investment and expansion of existing operations. 64% of the jobs in 2017/8 came from re-investment. All these relationships need support on the ground, and local networking organisations can do this to a certain extent as part of their commitment to sustaining the cluster, but strong regional coordination and pipeline management is needed, along with triangulation through the DIT overseas network with the relevant overseas HQ.

The marketing, targeting and sales FDI functions represent a classic market failure, given there is no rationale for the local private sector to fund these activities, and the potential investor cannot be charged. The regional offer is so powerful, there is a great opportunity, along with effective marketing and organisation, to successfully and systematically target investors that will enhance the economy. As CPIER recommends, the UK Government should adopt a 'Cambridge or overseas' mentality towards knowledge-intensive (KI) business, recognising that in an era of international connectivity and footloose labour, many high-value companies will need to relocate abroad if this area no longer meets their needs.

The key international marketing attribute for the region, when focussing on the ICT/Digital sectors, is undoubtedly the Greater Cambridge offer. The CPIER work highlights the fact that there are three distinct economies in the region - and it would be mistaken to dilute the extremely powerful marketing messages through amalgamation. Leading with the Greater Cambridge brand will benefit the rest of the region, since every investor is a potential supply chain opportunity also. Target audience will be C level leaders in target overseas technology companies, and their intermediaries.

Of course, a complementary and distinctive brand strategy also needs establishing for Peterborough and Fenland, but is likely not to lead with the ICT sector, and so is not examined here.

Much work needs to be done to clearly articulate the Greater Cambridge message and to provide guidance on what the technology ecosystem in the area offers, and how to engage meaningfully with the cluster. Despite multiple outward facing Greater Cambridge based organisations there is no clear pathway for potential inward investors, and this needs to be rectified.

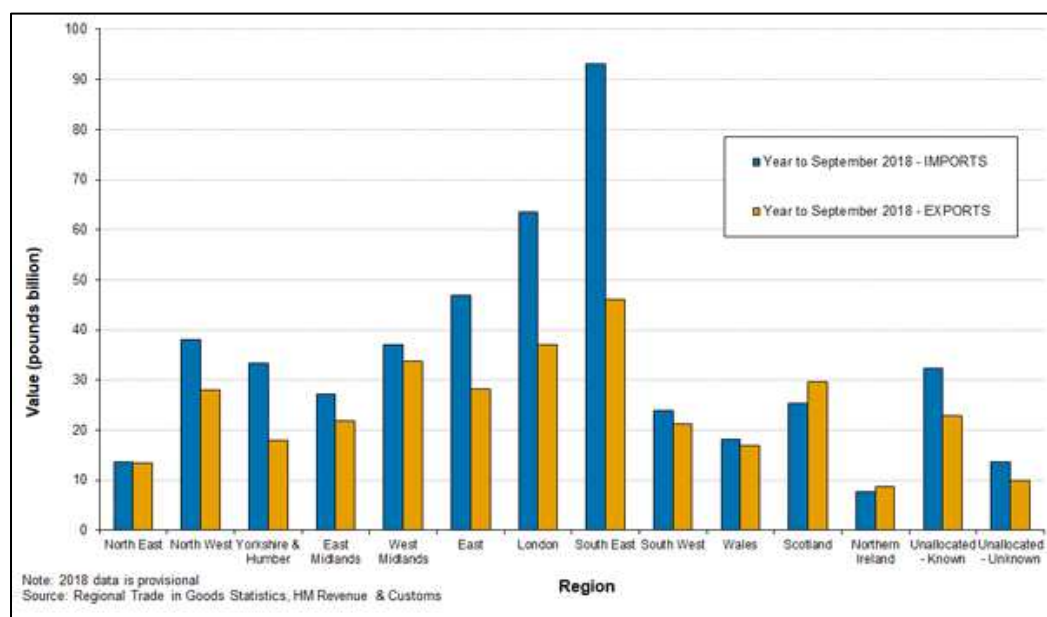
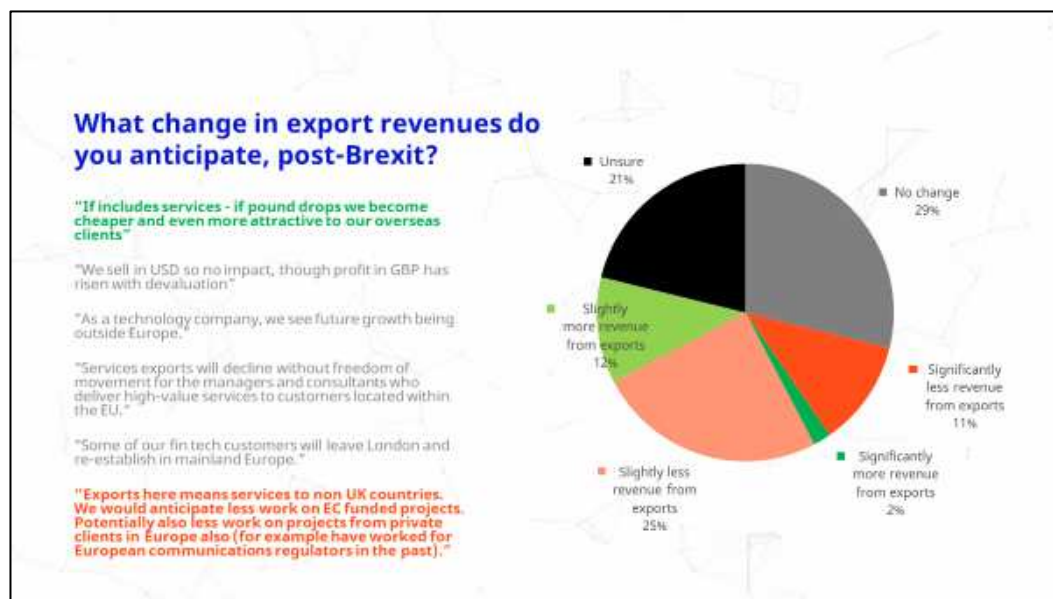
INTERNATIONAL TRADE

CW ran a Brexit Impact Survey³² from 31 Oct – 16 Nov 2018 to ask Technology companies about their opinion on the effects of Brexit. See the chart to the right for a summary of their opinion on Export revenues.

It is certainly the case that having a vigorous ICT/Technology sector exporting goods and services will continue to be crucial for the region in the years ahead. According to the latest [UK Government Export Strategy Overview](#), 90% of global development is expected to come from outside the EU over the next 10-15 years. The Digital Sector must seize the opportunity to look to markets - particularly in Asia and America.

Exports represent 35% of UK GDP and the East of England collectively is the third most significant region according to the latest HMRC statistics. The digital sector consists of 18.9% of service exports, which are in turn 35% of total trade.

The digital sector is often underreported in official statistics, a recent study shows the UK digital sector accounting for **24%** of all exports.³³



³² Link to be provided when published

³³ The Digital Sectors After Brexit, Frontier Economics for technologyUK

Key barriers related to business exports are (generally, across all UK sectors): not having the right contacts to find the appropriate partner or customer, payment risks, on-tariff barriers, and management skills in international trade.

Greater Cambridge based technology companies are often “born global”. A quick survey of recent press announcements in [Business Weekly](#) shows companies active in numerous markets:

Company	Product	Export Market
CyanConnode (Cambridge)	Narrowband radio frequency mesh networks	Philippines, Ukraine
Sepura (Cambridge)	Digital radio specialist	Mexico
Bango (Cambridge)	Online payment	Chile, South Korea
Bligher Surveillance Systems	Radar & surveillance	India
UltraSoC	Embedded analytics	Asia
Pixel (Cambridge)	Radar	China

The DIT provides export services and information suitable for early stage companies, and can also connect companies to useful contacts and opportunities through their overseas network along with Export Finance if needed. In 2017/8 the DIT Technology Exports team supported 330 UK technology companies win 506 projects/contracts overseas.

Department for International Trade Case Study on SG Control's export growth in the Far East

SG Controls is a Cambridge-based company that designs and supplies equipment for the optical fibre manufacturing sector and is set to double the volume of products it makes following a surge in demand in China, Japan and India. SG Controls has been exporting its products since 1979 and is working with trade advisers from the Department for International Trade (DIT) and UK Export Finance (UKEF), who is supporting the company to fund its new ventures in the Far East. The company's international success led to the creation of 40 new jobs at its site in Newton in the last 18 months to cope with growing demand. “Working with the DIT enabled us to find a funding mechanism to satisfy our requirements and those of our customers, as DIT trade advisers work directly with UK Export Finance to provide support to our banks to allow them to issue guarantees to customers,” says Ian McNulty, MD at SG Controls.

Businesses should be pointed towards the services that can be provided. With limited resources, focusing on scale-up companies that can quickly take advantage of global export opportunities makes sense, as well as strategically identifying a shortlist of target overseas markets.

Cultivating deeper links with ICT Technology hubs will also prove beneficial. Connecting networking organisations based in these hubs (eg: [Israel Technology Hub](#)) with local networking organisations, and supporting repeated trade missions and meetings will build relationships and drive partnerships and contracts. A focus on Asian markets will be particularly important here, especially given the proportion of FDI investment from Asia.

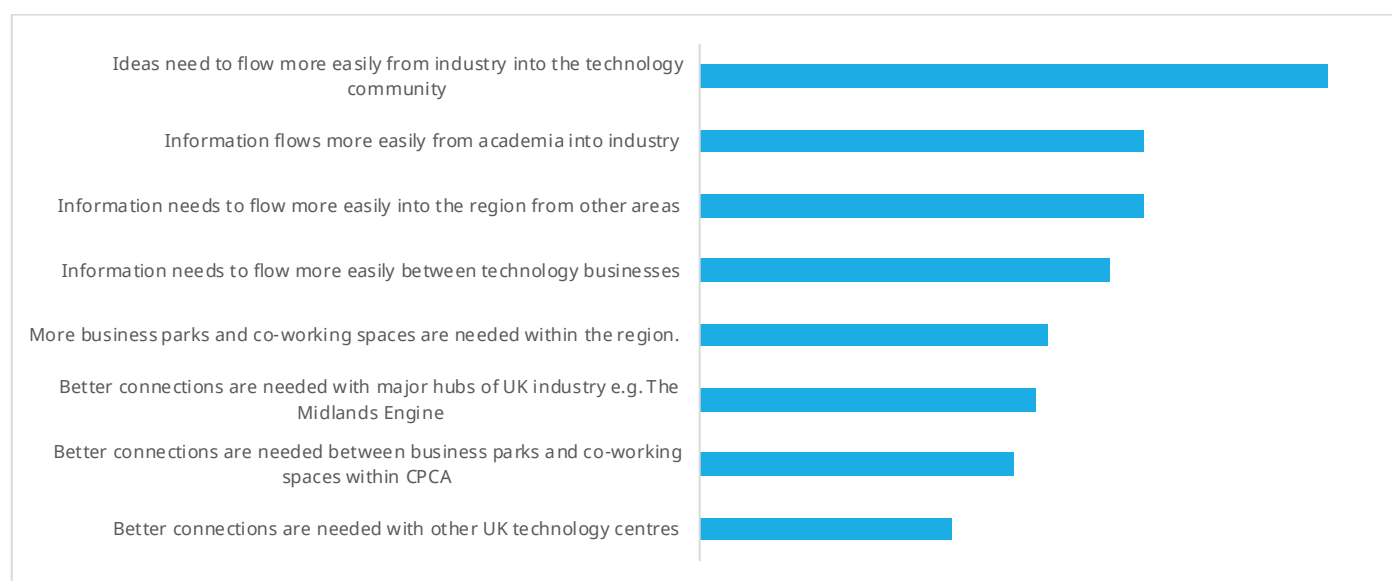
Finally, it is worth pointing out that digital transformation is radically affecting export processes. Digital companies can transform the productivity of companies in vertical industries, enabling expansion into overseas markets. Advanced digital solutions enable better access and management of international customers through B2B e-commerce platforms.

It is very welcome that the CPCA has announced in their Business Plan that a strategy will be developed aiming to secure funding for more enhanced, higher impact Trade and Investment activities starting in 2020/21. It is also noted that the CPCA will support Opportunity Peterborough's inward investment activities, delivering support to more companies in the North of the area. However, the current CPCA business plan allows only for £50K per annum against Trade & Investment functions out of the revenue budget, and this is clearly not enough. This strategy recommends that more resources need to be devoted to provide effective internationalisation programmes and projects.

KNOWLEDGE TRANSFER

VISION

The Digital Sector Strategy's vision is that knowledge and ideas can disperse successfully throughout the region. We also wish this to be a region where businesses of any sector can efficiently collaborate through linked networks of science parks and co-working spaces and where knowledge transfer between academia, technology firms and industry works seamlessly. The following hypotheses were explored in the Digital Sector Strategy Business Survey and their relative perceived importance is outlined below:



	Importance perception score (/ 5)
Ideas need to flow more easily from industry into the technology community	4.52
Information flows more easily from academia into industry	4.19
Information needs to flow more easily into the region from other areas	4.19
Information needs to flow more easily between technology businesses	4.13
More business parks and co-working spaces are needed within the region.	4.02
Better connections are needed with major hubs of UK industry e.g. The Midlands Engine	4.00
Better connections are needed between business parks and co-working spaces within CPCA	3.96
Better connections are needed with other UK technology centres	3.85

INSIGHTS FROM QUALITATIVE ANALYSIS OF SURVEY DATA See Annex 1	INSIGHTS FROM QUANTITATIVE ANALYSIS OF SURVEY DATA See Annex 2
Knowledge transfer between academia and industry can reduce risks and accelerate market entry (IND). Attention should be paid to IP Management, ownership and knowledge transfer processes	The respondents identified three key priorities for Fenland <ul style="list-style-type: none"> “Ideas need to flow more easily between industry and the technology community”

<p>(SUP). Funding collaboration between industry and academia should be encouraged (INV). Connecting the region (NET) with other regions is about bringing new skills, talent (TAL), business opportunities (IND) and businesses (INV) to the region. While businesses outside of the region are considering of locating themselves here, they should be shown other parts of the region than Greater Cambridge locations (NET).</p>	<ul style="list-style-type: none"> • “Information needs to flow more easily into the region from other areas”, and • “Information needs to flow more easily from academia into the technology community” <p>Interestingly, two of these priorities are also perceived as significantly important in Huntingdonshire</p> <ul style="list-style-type: none"> • “Ideas need to flow more easily between industry and the technology community” and • “Information needs to flow more easily into the region from other areas” <p>The perception that “Ideas need to flow more easily between industry and the technology community”, is also highly important in Peterborough.</p> <p>This domain of “Links within the UK” is of particular relevance to the Fenland, whose respondents selected four issues as critically relevant. Peterborough highlighted three areas and Greater Cambridge two. In detail:</p> <ul style="list-style-type: none"> • “More business parks and co-working spaces are needed within the region”, • “Better connections are needed between business parks and co-working spaces within CPCA” <p>“Better connections are needed with other UK technology centres”, was a priority in Fenland, in Greater Cambridge and in Peterborough</p>
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RECOMMENDATIONS

RECOMMENDATIONS	
For public sector	For private sector
<p>Working with existing communities for technology / industry, deliver more inter-sector networking opportunities across the region that connect industry with the technology community and academia.</p>	<p>Develop Launchpads outside of Greater Cambridge where the applications of new digital technologies and solutions can be trialled. These Districts should feature the latest technology infrastructure, should be accessible for start-ups and should focus on industries that are important to the Combined Authority economy, such as Manufacturing or Agriculture.</p>

BACKGROUND ON KNOWLEDGE TRANSFER SYSTEMS IN CAMBRIDGESHIRE & PETERBOROUGH

Knowledge transfer is the sharing process of learnings and skills between academia and the non-academic community, including business and the public sector. It is a key driver of economic growth and an important reason for Government investment in university research. Equally, for academics, the knowledge transfer system is a source of new ideas. While often measured in outputs such as university spin-out businesses and patents filed, there are far more elements to a successful knowledge transfer system including publication, collaborative research and academic consultancy.

Cambridgeshire and Peterborough, led by the University of Cambridge and Anglia Ruskin University, has a long-established knowledge transfer system that is a key contributing factor to this area being one of the most well-regarded technology innovation hubs in the world. The region's ecosystem has been a source for many globally competitive businesses like ARM and HP Autonomy. Its excellence in research has attracted inward investment from many global ICT businesses such as Microsoft, Huawei, Apple, Google, IBM – investment which is underpinned by outstanding research and teaching in the region's universities. (BEIS SIA, 2017)

As a world-class example for digital knowledge transfer, the [University of Cambridge's Computer Laboratory](#) and Cavendish Laboratory have been prolific sources of ICT and digital spin-out businesses. The Computer Laboratory has produced at least 200 companies including Acorn, Jagex, Ubisense and Raspberry Pi foundation.

Anglia Ruskin University (ARU) brings considerable research and teaching excellence, including in emerging specialisms such as internet of things, cybersecurity, computer science and digital gaming. ARU is well-known for its multi-disciplinary approach to university education and research, as well as entrepreneurship embracing industry collaboration e.g. via apprenticeships and effectively matching teaching activity to business needs.

In addition, UK Research Councils and charities have invested heavily in installing research centres in the region which have considerably augmented the strength of the area's knowledge ecosystem. These include the Sanger Institute, the Babraham Institute, the Laboratory for Molecular Biology (LMB) and the Wellcome Genome Campus.

A major source of funding for establishing and developing better knowledge transfer between academia, technology companies and industry in the region has been the European Regional Development Fund (now, of course, at risk). Programs like Innovate2Succeed, Serious Impact, Innovation Bridge, Keep+ and REACTOR have been contributing to digital innovations, especially among SMEs and start-ups.

One important mechanism of universities in supporting new business creation, other than spin-outs, is linking academia to industry to support early stage technologies companies by providing knowledge in different forms (academic expertise, business connections, mentoring, space and skills). The co-funding element of this mechanism via public and private funding has had a great impact on knowledge transfer³⁴. As an example, Accelerate Cambridge is a programme run by CJBS (Cambridge Judge Business School) that has accelerated already over 100 early stage technology companies. Similarly, REACTOR (Anglia Ruskin University) has supported over 50 SMEs/Startups with their gamified, digital innovation.

³⁴ [Accelerating the UK, Beahurst](#)

The mechanisms by which start-ups spin out of the major universities are already established and working well, particularly in the Greater Cambridge area. These include recruitment, knowledge sharing through networking, presenting at events, publication and collaborative research. However, the process through which businesses can collaborate with the university is less straightforward. It must also be noted that there are intra-regional discrepancies with the strength of the knowledge transfer system. It is currently centred around Cambridge city where the two main universities of the region have their main bases. The opening of the University of Peterborough offers a good opportunity for a similar system to be established in that city. The flow of information between academia, consultancies, start-ups and corporates must be nurtured across the region with relevant networking activities and knowledge sharing events for highlighted digital sectors, such as Artificial Intelligence (as per the Business Survey).

As a final note, it is R&D of the private sector that contributes the majority of funding to research activities in a commercial context. These activities have also had a great impact in recruiting and retaining world class talent and skills within the region, which has contributed hugely to the region's social capital and it is imperative that the region maintains and increases the level of private R&D in the region by supporting start-ups to scale and attracting foreign direct investment through ambitious regional marketing programmes.

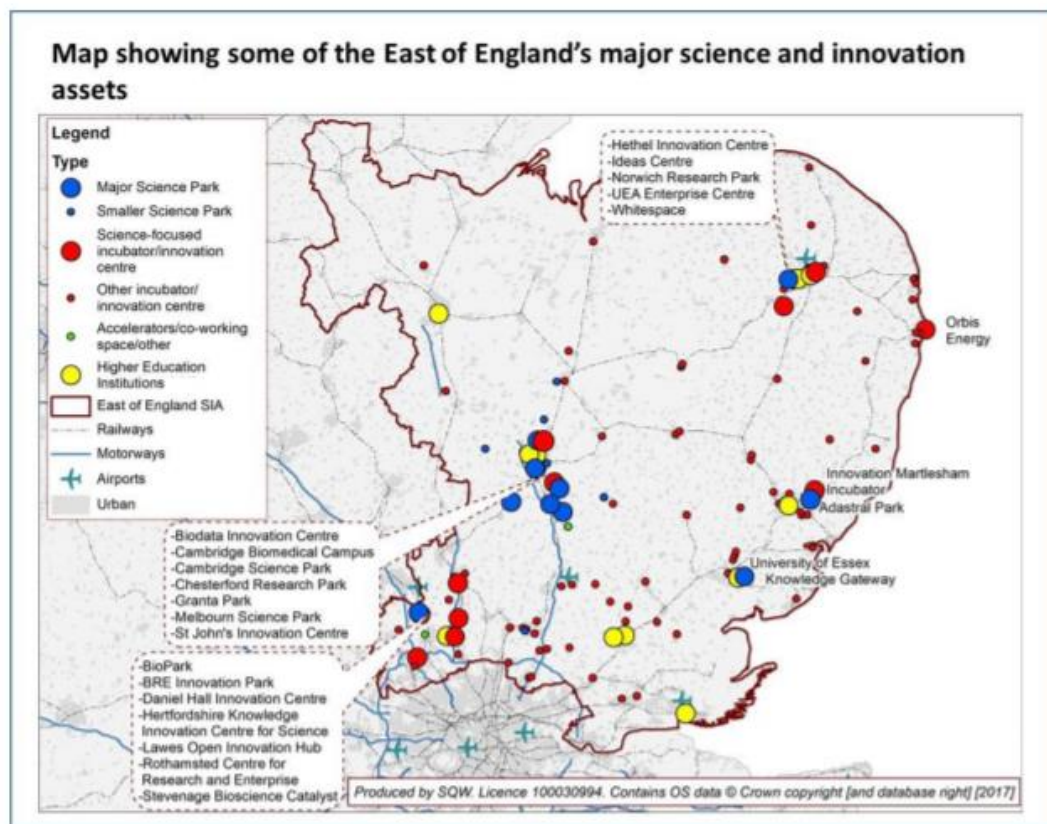
LINKS WITHIN THE UK

Cambridgeshire and Peterborough benefits from a number of key geographical and transport assets:

- The M11 provides rapid and direct access South to London and Stansted Airport
- Railways offer access to London from Peterborough in 51 minutes, from Cambridge in 49 minutes and from Huntingdon in 63 minutes. The new line from Cambridge via St Pancras offers direct route to the finance markets of the City.
- Stansted Airport provides access to international destinations
- The A1(M) to the East connects the region to London in the South and the Midlands and North East.
- The A14, which is currently undergoing significant improvement works, connects Cambridgeshire and Peterborough to Norfolk and Suffolk, including the technology hubs at Norwich and Ipswich and the busiest container port in the UK, Felixstowe, dealing with 42% of Britain's container trade.
- The A14 also connects Cambridgeshire and Peterborough to the Midlands Engine and the manufacturing hubs of Birmingham and the West Midlands.

There is huge potential in these assets to continue to grow Cambridgeshire and Peterborough's business connections. However, transport within the region remains an issue especially in more rural areas such as the Fenland. To enable businesses in the region to benefit from more efficient connections to stakeholders, networking opportunities and reduced commuting times,

improvements in transport infrastructure within the area must be the first priority. Individual market towns must be better connected, and travel within cities must be eased.



Cambridgeshire and Peterborough has the fortune to be involved in a number of prominent corridor plans that connect high growth areas and encourage collaboration. These include:

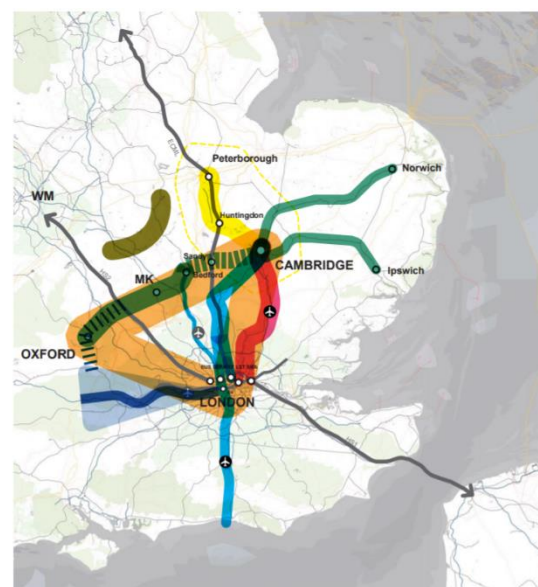
- **Cambridge Milton Keynes Oxford Corridor:** working to fix the housing and transport challenges of Cambridge by expanding towards Milton Keynes. Joining up the “golden triangle”

- **London Stansted Cambridge Consortium / Innovation**

Corridor: This vibrant polycentric

region provides a unique ecosystem of talent and business including Technology City, GSK, Google, Cambridge University, UCL, Raytheon, Wellcome and Microsoft.

The Oxford - Milton Keynes - Cambridge corridor in the context of various other intersecting regional/cross-boundary growth corridors/initiatives/strategies >



- **Cambridge Norwich Technology Corridor:** has the potential to be home to an additional 26,000 additional jobs, 46,000 people and create value of an additional £2.75bn to regional economy.
- **Cambridge Ipswich Banana:** there is potential for links to be strengthened between the telecommunications and software hub of Ipswich and Cambridge.

If such plans are successful in their goals, they will serve to increase the supply of talent and productivity of Cambridgeshire and Peterborough's digital sector. This strategy supports and aligns itself with these plans.

END

ANNEX 1

Qualitative findings from primary data

Qualitative survey findings are collected from the survey respondents, board meeting notes, and brief interviews. They have been analysed at domain theme level, as well as in detail at comment level. As expected, domains become connected to each other in the responses. Below are the selected domains to which quotes are referred to.

Entrepreneurship ENT	Links within the UK UK	Export Strategy EXP
Investment & Finance INV	Talent & Skills TAL	Adoption within Industry IND
High Impact Networking NET	Foreign Direct Investment FDI	Digital Infrastructure DIG
Knowledge Transfer KNO		Supply Chain SUP

QUALITATIVE SURVEY INPUT ON TALENT AND SKILLS



It is important to understand the demand and supply of skills (SUP) in the region and the changing needs of now and future. Growing skills pool 'organically' is a long process, from school, to universities (KNO) and to the job market (IND). The respondents refer to very different types of talent needed in the region (UK), e.g. via apprenticeships, BSc, MSc, or PhDs but one pattern is that a skilled person is a 'specialist' in a certain topic of need, mostly in STEM subjects (DIG). Respondents widely talk about investing (INV) more in the youth but not to forget 'adult' groups and teaching the teacher. When it comes to locations where talent is or wants to be, Cambridge (UK) will remain a magnet but the idea of offering a high quality and balanced life style of the work force is becoming a selling argument of a location. Brexit is bringing uncertainty in recruiting talent (FDI).

Quote: "Better digital skills training (IND) and support for young people at school, college, university is critical (KNO)."

Quote 2: "I'm certainly feeling the problem of recruiting developers (IND, KNO), digital designers and digital marketers in this region (UK)."

Quote 3: "Life style is important also. If affordable housing and transport (DIG, INV) are not addressed the increase in salary that comes with skills and jobs (IND) is negated by the frustration of day to day life."

Quote 4: "Cambridge City (UK) does tend to be a larger magnet for talent in the region, more needs to be done to show the advantages available to working for businesses around the region."

Topic	Survey findings
Need for skills	Identify what specific skills are needed. Understanding what type of skills are pivotal. Adapt skills learning system to changing skills needs. Emphasise remote working due to the costs of transport. It is difficult to recruit developers. We need more BSc/MSc/Phds. Long 'organic' lead time from school education to industry. Provide more makerspaces, adult education, apprenticeships. Support businesses to recruit people.
Quality of living	Living costs are high, public transportation should be improved and flexible work conditions be offered. People want to stay in a place with great life style and balanced life between family and work.
Demographics	Even focus should be on skills development at the young age, digital skills support should be provided to adult groups too.
Locations	Ensure free movement of talented people. Demonstrate advantages working around the region. Cambridge is the talent magnet in the region. Create other than Cambridge, places where people can excel in their career.
Resources	Invest in skills development across the region. Teach the teachers about latest technologies.
Institutions	Education can be delivered not only by Universities but by other institutions and private companies.
Funding	High cost of university education Grants for SMEs/Startups to employ students. Offer grants to those who want to study STEM subjects.
Brexit	Brexit is already affecting recruitment.

QUALITATIVE INPUT ON TECHNOLOGY INFRASTRUCTURE



There are several practical issues mentioned in the survey results such as lack of mobile phone coverage in rural areas, on train lines, fibre cable not reaching to where businesses are (IND), or into new built environment (TAL). CPCA region should be better than average in connectivity, a test bed for 5G (INV), networks available in public places. More competition is asked for reducing the price of being connected to fast networks (IND).

Quote 1: "Connectivity for the wider population (TAL) to get more support and investment (INV) across the community as a whole, particularly by improving public services and locations such as schools, hospitals, libraries etc."

Quote 2: "A review of the not-spots as in Norfolk, to identify and prioritise areas for investment (INV)"

Quote 3: "We need to be developing new technology for digital networks (e.g. 5G core), not just buying from USA and China (EXP)."

Quote 4: "1) Mobile phone coverage would be useful in our postcode! (TAL) 2) Ensure coverage on all rail lines in the region 3) For any new build and not just for larger developments, to require Fibre to the Premises (IND, INV)."

Topic	Survey findings
Technology	Infrastructure is more than fibre cable only, it is also about better mobile connections, access to street lights, electric vehicles. Mobile phone coverage in rural areas as well as all rail lines. All new built environment should be connected to fibre networks. Region should be a testbed for 5G. More competition between providers is needed.
Role in the value chain	Embrace the emerging technologies within the region for the testbed purposes.
Locations	CPCA region should be higher than the national average in connectivity.
Models	Use connectivity and infrastructure to change people's behaviours (e.g. Smart cities). Shared leased lines for small businesses in rural areas, subsidised.
Cost	Identify the areas that should need an investment. Incentivise providers to build fast fibre network.
Public places	Improve the connectivity in public places for public services and locations such as at schools, hospitals and libraries.

QUALITATIVE INPUT ON SUPPLY CHAINS

Connecting supply and demand

Supply **Supply chains** Demand

Companies go where they find the best value for meet their needs (IND). This regions is internationally connected (UK, EXP) and buying services from anywhere from the world (EXP) does not seem to be an issue. However, 'more' of connecting (NET) the both sides would be win-win. There should be more transparent knowledge sharing (KNO) of what are the needs of the buyers. Also, to give a better access to suppliers to both public and private procurement (IND) would open the opportunities for local companies (IND) to offer their products and services.

Quote 1: "In many digital supply chains, location is irrelevant as we're purchasing from worldwide suppliers (EXP)."

Quote 2: "Only once have I found a local company (UK) that could supply us, we bought them (INV)."

Quote 3: "The more local start up business (ENT) know about the need of and operational requirement (industrial standards) of large local customers (IND) the better."

Quote 4: "Too much emphasis on local companies supplying other local companies (UK, IND) worries me it looks parochial."

Topic	Survey findings
Demand	<p>For many digital services, location is irrelevant.</p> <p>Do not buy inferior technology for the sake of cost, including from foreign companies.</p> <p>Buy from the best, if they are local that is great.</p> <p>It should be easier to find locally based suppliers.</p> <p>Only once have I found a local company that could supply us, we bought them.</p>
Supply	<p>Supply chain is key for the knowledge transfer and ideas.</p> <p>Support training, innovation and collaboration.</p> <p>Online portal to publish opportunities.</p> <p>It should be easier for local business to tender for public service calls.</p>
Connecting demand and supply	<p>National and international aspects of demand and supply.</p> <p>Networking between suppliers and customers.</p> <p>Support for encouraging local supply of certain products.</p> <p>The more local startups businesses know about the need the better.</p>

	Emphasis on local companies is parochial. Many business can supply but the needs are not well known.
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QUALITATIVE INPUT ON HIGH IMPACT NETWORKING

	Attendees	Networking needs and topics	
Type of networking	High-Impact networking		Regional aspects
	Organisers		

Networking is happening within industry subsectors (IND), as well as across disciplines (UK). There should be more emphasis on attracting businesses (IND) and individuals (TAL) outside of the region to attend the events which often have the same local people attending (UK). Showcase the industry cluster (IND), as well share knowledge (KNO) in events by high net worth individuals from successful businesses (IND). Different parts of the region have different needs for networking. An ecosystem is joined up collaborative network. Access to venues should be easy and region would do better with more medium sized venues. Special topic events (IND) will survive if there is enough demand for them.

Quote 1: "We need to invite successful startups (ENT) in Cambridge & London areas (UK) to deliver talks about digital skills (DIG) and inspire young generation (TAL) to avail this opportunity accordingly."

Quote 2: "While there will always be a high concentration of tech businesses in the city, people need (SUP) help everywhere in the region (IND, UK, TAL)."

Quote 3: "Local networking (UK) is almost 'unimportant' as the amount of local customers (SUP) will always be small by the nature of our work."

Quote 4: "Different parts of the region may have different appetites for networking."

Topic	Survey findings
Attendees	Get dynamic companies which can bring cross market skills. Too few individuals are engaged and same people in the most events. Too many people trying to sell their services.
Type of networking	Networking should cover both the needs of online and face-to-face meeting needs. There could be a central hub where themes are discussed and opportunities shared.

	Events should be encouraged to invite successful startups from Cambridge and London to share experiences.
Regional aspects	Networking should be done in places with easy access. Different regions have different needs for networking. Networking should support the whole region to join, not just Cambridge. Local networking is not important at all. It is difficult to find a decent location for medium sized events. The volume of possible business is limited by the size of 'locality'.
Networking need and topics	Market forces will finally determine which themes will survive. Local companies to address local problems. Greater range of events. An ecosystem is a joined up network.
Organisers	The credibility of the organisation is imperative. There should be funding available to support existing networking groups to expand.

QUALITATIVE INPUT ON ENTREPRENEURSHIP



Startups should be supported at different stages of their journey by mitigating some of the risks they take, easier access to funding (INV) and knowledge sharing (KNO). There should be more advice about access to funding and local tax incentives. The region should attract more founders and co-founders and whole region should be promoted to new startups. Startups need affordable working space where they can network and get access to infrastructure (DIG).

Quote 1: "Lowering the costs of office space and technology (DIG), increasing the available funding and support (INV), and increasing the follow-on business support beyond the first 12 months for new start ups."

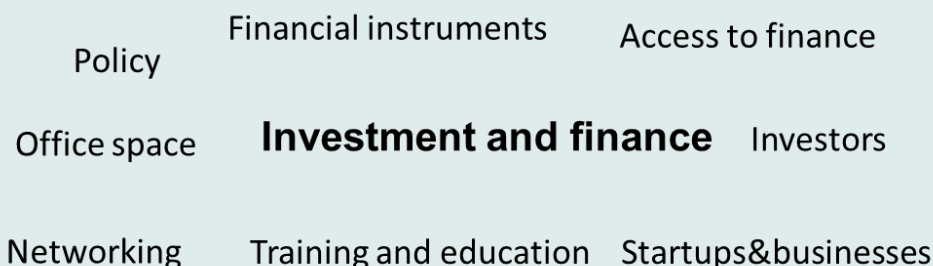
Quote 2: "Create sector-specific (IND) opportunities for tech leaders (NET) to come together, share best practices and grow the sector as a whole."

Quote 3: "Key emphasis really needs to be on growth, specifically national and international sales (UK, EXP)."

Quote 4: "Getting more of the entrepreneurial spirit distilled into Fenland and East Cambs (TAL)."

Topic	Survey findings
People	Entrepreneurial spirit across the region should be embraced. Learn from people who have created successful business, or those who have failed. Access to affordable skills.
Opportunities	Create sector-specific opportunities and discover new ideas; share co-development opportunities.
Industry sectors	More startups on aging, climate change, sustainability, social enterprises
Marketing and promotion	Promote the region as place to setup a startup
Economic incentives	Give tax incentives to startups
Funding	Support raising funding to scale-up companies; and run 'the winners'. Give grants to early stage companies. Closing the gap between angel investments and VCs. Offer grants and soft loans, microgrants.
Growth	Support growth through national and international sales
Access to support	Facilitate the access to startup support
Training and education	Train future entrepreneurs to avoid reinventing and making mistakes.
Office space	Affordable office space
Transportation	Improve transport links, public in particular
Regional	Cambridge needs to be deemphasised
Networking	Support networking opportunities with more diverse participation through which entrepreneurs can connect to hubs, academia and the industry.
Risk	Try to support startups by mitigating risks of failure, including investment risk.

QUALITATIVE INPUT ON INVESTMENT AND FINANCE



There should be better access (NET) to different types of funding (national, international) which is connected to expertise (mentors, advisers) (TAL, KNOW) in running and growing a business (IND). More advice and training is needed about different types of finance instruments, and tax breaks, especially for the small companies (ENT).

Quote 1: "More focus on alternative investment (INV) models for early-stage startups. (ENT)"

Quote 2: "The current system either means divesting ownership or gambling on high growth to repay loans and interest - neither results in a patient, lower and more sustainable rate of growth. Pooling growing businesses together (NET) as funding opportunities might help, along with making it easier to match businesses with groups of people (TAL) committing smaller individual amounts, matched by a large fund or organisation (IND), for example."

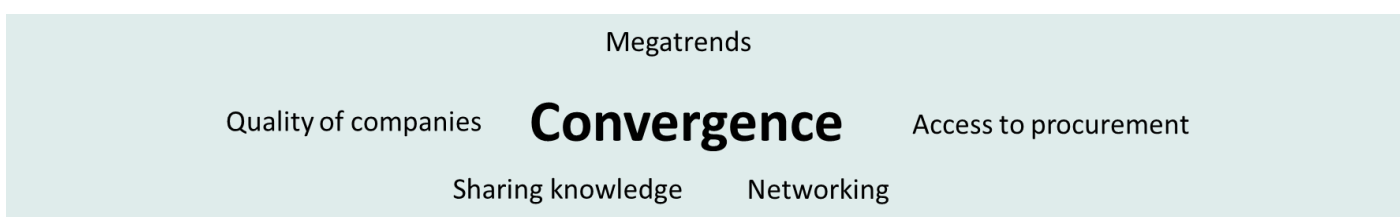
Quote 3: "Create a favourable tax environment for small investors."

Quote 4: "Local tax breaks, incentives or capital grants for cutting-edge equipment."

Topic	Survey findings
Investors	Pool of investors and funding is too small; London and international investors are needed. Attitude and approach towards funding of businesses should be improved. Traditional banks are not accommodating..
Office space	Investors should be close to businesses.
Networking	There should be centralized point of access to investors.
Startups&Businesses	Pooling growing business together. Understanding the stage of business is pivotal. Diversity of business builds resilience.
Training and education	More financial assistance, support and information about sources of funding is needed.
Policy	Government has a bad track record in investments. Local tax breaks. Market place will sort out this problem.
Financial instruments	Pooling of different types of investors to lower the risk. Public sector could commission innovation. New investment models and funding sources should be advertised.

	Novel investor categories. Crowdfunding training and alternative finance. Grants for micro startups. Angels could offer grants.
Access to finance	There is no lack of finance in the region for high quality companies. Lower the key barriers to access to finance. Customers are the 'best funding'.

QUALITATIVE INPUT ON APPLICATION IN INDUSTRY (CONVERGENCE)



Share knowledge (KNO, NET) and business opportunities (IND) to create and grow high quality technology companies (ENT) in new technology sectors.

Quote 1: "More research (KNO) should be done on identifying the current industry trends (DIG) for the local businesses (IND) in this region (UK)."

Quote 2: "It's the link (NET) between equipment makers (IND), technology developers, and process developers (TAL)."

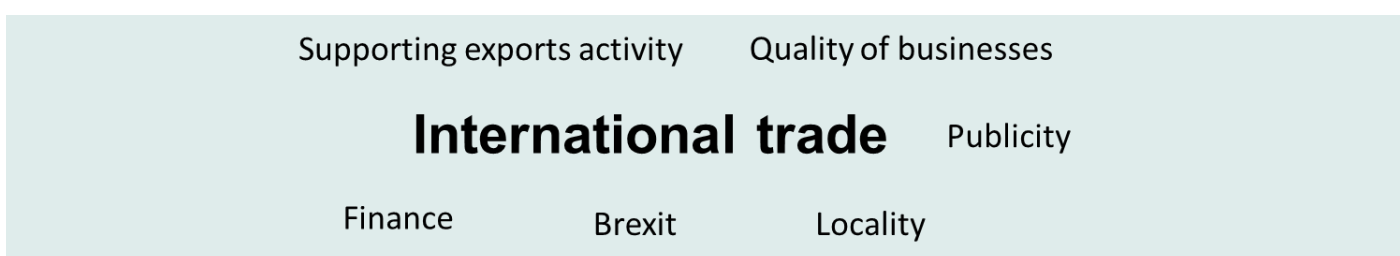
Quote 3: The creation of hubs (NET) to cluster industry in sectors (IND, TAL) and/or related sectors."

Quote 4: "Speakers at business breakfast/ business friend networks (NET) to bring the new technologies (DIG) to the attention of the market."

Topic	Survey findings
Megatrends	We should look at what roles we have in the technology supply chain in supporting innovation and learning. The problem with cutting edge technology is that it is often demonstrations work. This is a competitive differentiator.
Sharing knowledge	Learn from and share best practices across sectors to identify industry trends. What is available and how accessible it could be?
Quality of companies	Great firms will survive, poor management will fail.

Access to (public) procurement	Small businesses should be involved easier to local public procurement opportunities and systems. Rewarding large business and government for buying from early stage innovators can help both sides.
Networking	Establish links between equipment makers, technology developers, and process developers. The creation of hubs to cluster industry in sectors. Speakers at business breakfast/ business friend networks to bring the new technologies to the attention of the market.

QUALITATIVE INPUT ON INTERNATIONAL TRADE



Government should give grants (INV) for companies going international (EXP), to attend international trade fairs and meet customers and potential customers (NET, IND). Startups are born global (ENT) but they need advice about international trade (EXP), taxes. Brexit is causing uncertainty (EXP, INV).

Quote 1: "Support beyond existing DIT services, to research international market opportunities (EXP, INV), plus facilitate business introductions (NET), through grants (INV) to attend trade fairs, travel, marketing and communications (NET)."

Quote 2: "In the digital sector international trade (EXP) should be seamless, technical barriers are low. "

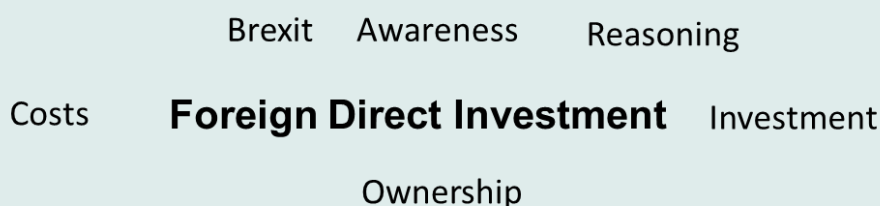
Quote 3: "Make grants (INV) available for market research in targeted areas (EXP), and use centralized resources to facilitate making first moves."

Quote 4: "Fight Brexit to avoid a step-change downwards (EXP)."

Topic	Survey findings
Support exports activity	The support for businesses should be go beyond existing DIT services. There should be easy access to services and trainings including online resources. Facilitate business introductions and access to real demand. Provide support, advice in trade activities e.g. tax advice.

Quality of businesses	Create and develop high quality businesses that trade to foreign markets. Technology startups are mostly born global.
Finance	Create grants to attend trade fairs, travel, marketing and communications including trade missions.
Locality	Focus on developing skills and capabilities.
Brexit	Brexit uncertainty can create step-change downwards.
Publicity	Publish success stories, also failure.

QUALITATIVE INPUT ON FOREIGN DIRECT INVESTMENT



Region should offer soft landing services and advice to foreign companies (EXP) considering this region for investment. When businesses visit Cambridge they should be offered to see other places than city of Cambridge (UK, INV). The foreign funding is used to scale up the companies globally (EXP), to bring new knowledge (KNO) and connection (NET) s to the region and wealth. Brexit uncertainty is a serious issue at the moment (EXP).

Quote 1:" There is a need to protect our region's technology assets (KNO) from purchase and asset stripping but investment in our research institutes and businesses (INV) is crucial to fund further development.

Quote 2:" Areas beyond Cambridge (UK) should be advertised as easier access into Cambridge, also at international level."

Quote 3:" The Foreign firms should be made adopt a few start-ups (ENT) to help them mentor them and grow."

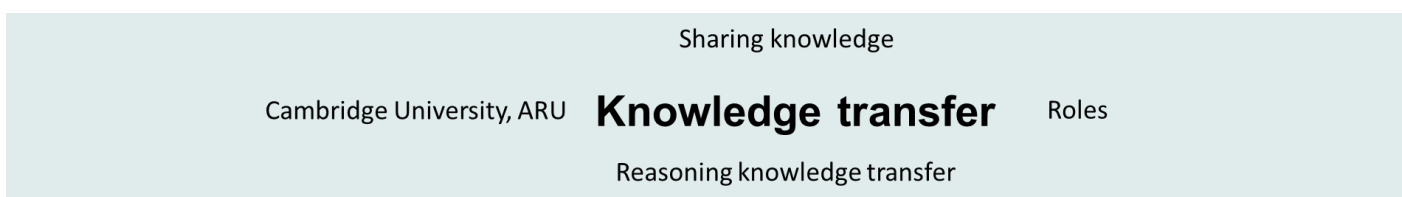
Quote 4:" In my experience, the attraction for foreign investment is to gain teams with unique skills (KNO) and experience rather than any other incentives."

Quote 5: Providing a framework for investment, dealing with due diligence and terms (KNO) as well as introducing investors (INV) and entrepreneurs (ENT).

Topic	Survey findings
Awareness	Demonstrate unified presence at international events. Providing a framework for investment, dealing with due diligence and terms as well as introducing investors and entrepreneurs.
Costs	Foreign technology firms cause costs increase of running businesses.

Investments	Foreign investment should invest in research, businesses on a longer period of time. Areas beyond Cambridge should be advertised. Foreign investment often helps the companies to scale-up and go global markets.
Ownership	We should protect region's technology assets from acquisitions. Foreign firms should adopt, mentor and grow local startups.
Reasoning	Attraction for foreign investment is to gain teams with unique skills and experience. Firms will locate here because of the local talent.
Brexit	Make clear how Brexit affects foreign investments.

QUALITATIVE INPUT ON KNOWLEDGE TRANSFER



Knowledge transfer between academia and industry can reduce risks and accelerate market entry (IND). Attention should be paid to IP Management, ownership and knowledge transfer processes (SUP). Funding collaboration between industry and academia should be encouraged (INV).

Quote 1: "Support to share best practices (NET) and what excellence looks like in the development of innovation and IP, including reducing investment risk and accelerating market adoption."

Quote 2: "The universities (Cambridge and ARU) are getting much better at engaging with business (NET) in the region (UK), but it's still hard for smaller businesses (ENT) to collaborate on research and innovation work with them (SUP)."

Quote 3: "SMEs are very cautious talking to large companies because IP theft (ENT) is sadly common."

Quote 4: "The best way to transfer knowledge and experience is people (TAL). The more talent is attracted to, and grown in, the region the more easily business (IND) can learn from each other."

Topic	Survey findings
Sharing knowledge	Region should be showcasing local innovation and truly valuable information to support collaboration across sectors. Strategy should identify the more relevant channels to transfer knowledge. Encourage younger people to be involved in the knowledge transfer. Develop, define the culture of knowledge transfer.

Cambridge University Anglia Ruskin University	Harnessing the university IPR by working with smaller business Establish access to resources, skills and technology and support interaction between academia and the industry.
Reasoning knowledge transfer	Knowledge transfer can reduce investment risk, accelerate market adoption Industry and academia can bid for collaborative innovation funding. Develop processes that make knowledge transfer faster, time to market.
Types of knowledge transfer	Programs that fund knowledge transfer between industry and academia e.g. KTPs.
IP Management	How will IP transfer be managed which doesn't go to competitors. Value of IP.
Roles	Regional co-ordinator could work with InnovateUK, KTN, academia on connecting experts to local communities. Visualising the regional actors.

QUALITATIVE INPUT ON LINKS IN THE UK



Connecting the region (NET) with other regions is about bringing new skills, talent (TAL), business opportunities (IND) and businesses (INV) to the region. While businesses outside of the region are considering of locating themselves here, they should be also shown other parts of the region than only Cambridge and near-to Cambridge locations (NET).

Quote 1: "Attracting more partnerships with tech businesses (INV) outside the region by improving the skills (TAL), facilities (DIG), events (NET) and support in the area."

Quote 2: "Technology showcase events (NET). Trade 'Missions' to other networks."

Quote 3: "Skills, industry knowledge exchange (TAL, KNO) and transport links are important."

Quote 4: "Areas of rural development need to offer hi-tech business space (IND) to grow."

Topic	Survey findings
Partnership development	Attract more partners from outside of the region which benefit all parties involved.

Networking	Bringing opportunities to businesses in different locations in the region.
Assets and knowledge	Support improving skills that are interest beyond the region. Offer high quality facilities to network with local businesses
Events	Organise technology showcase events. Cross-discipline events that facilitates group thinking, collaboration and creativity in a sustained manner.
Venues and locations	Areas of rural development need to offer hi-tech business space to grow. Getting co-location of this expertise with industry

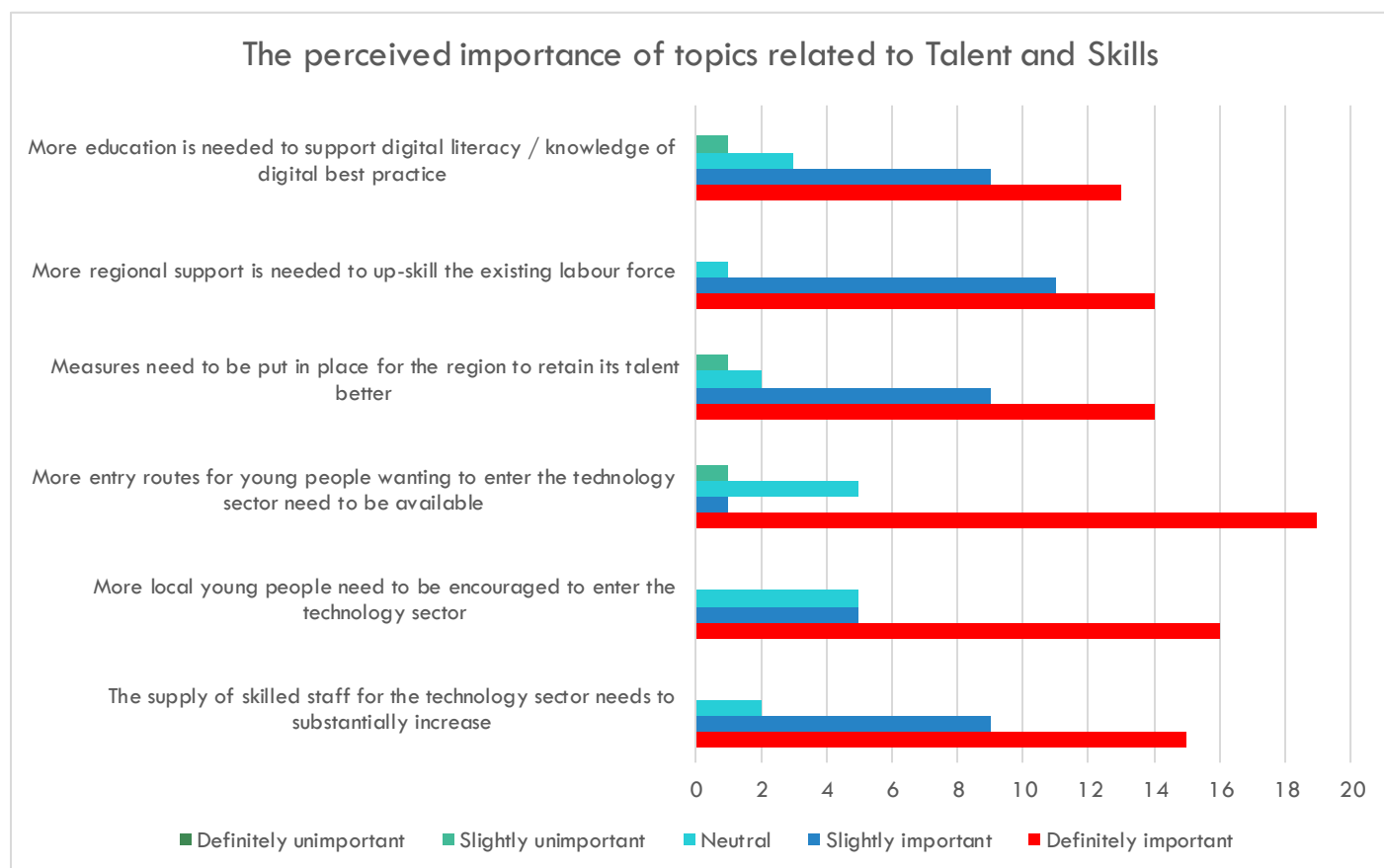
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ANNEX 2

Quantitative findings from primary data

Quantitative survey findings were collected from the survey respondents and analysed at domain theme level. The charts below outline the overall perceived importance of the hypotheses that were being tested per domain, the geographical variation between respondents and variation caused by the respondent's position within the technology supply chain.

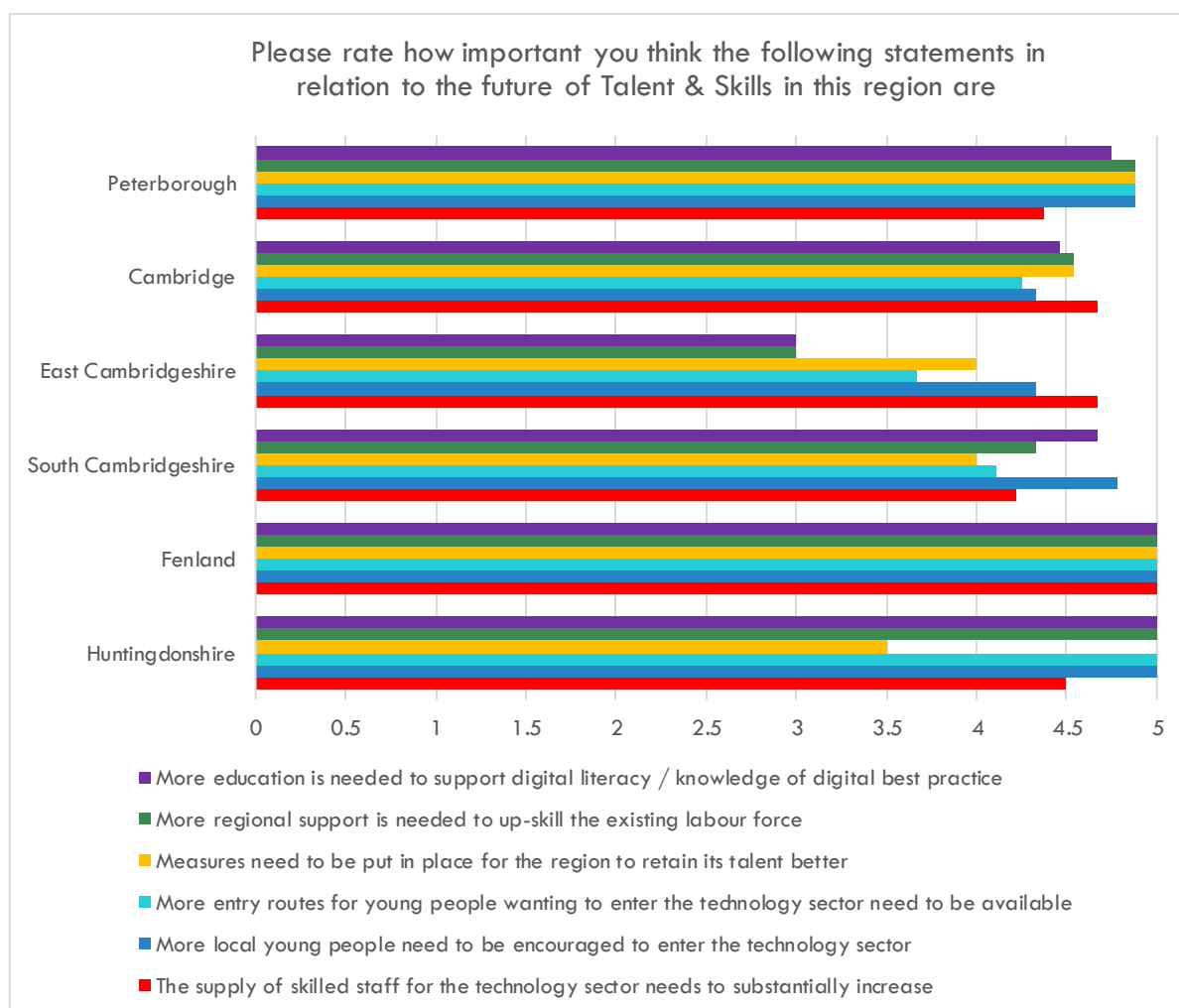
QUANTITATIVE INPUT ON TALENT AND SKILLS



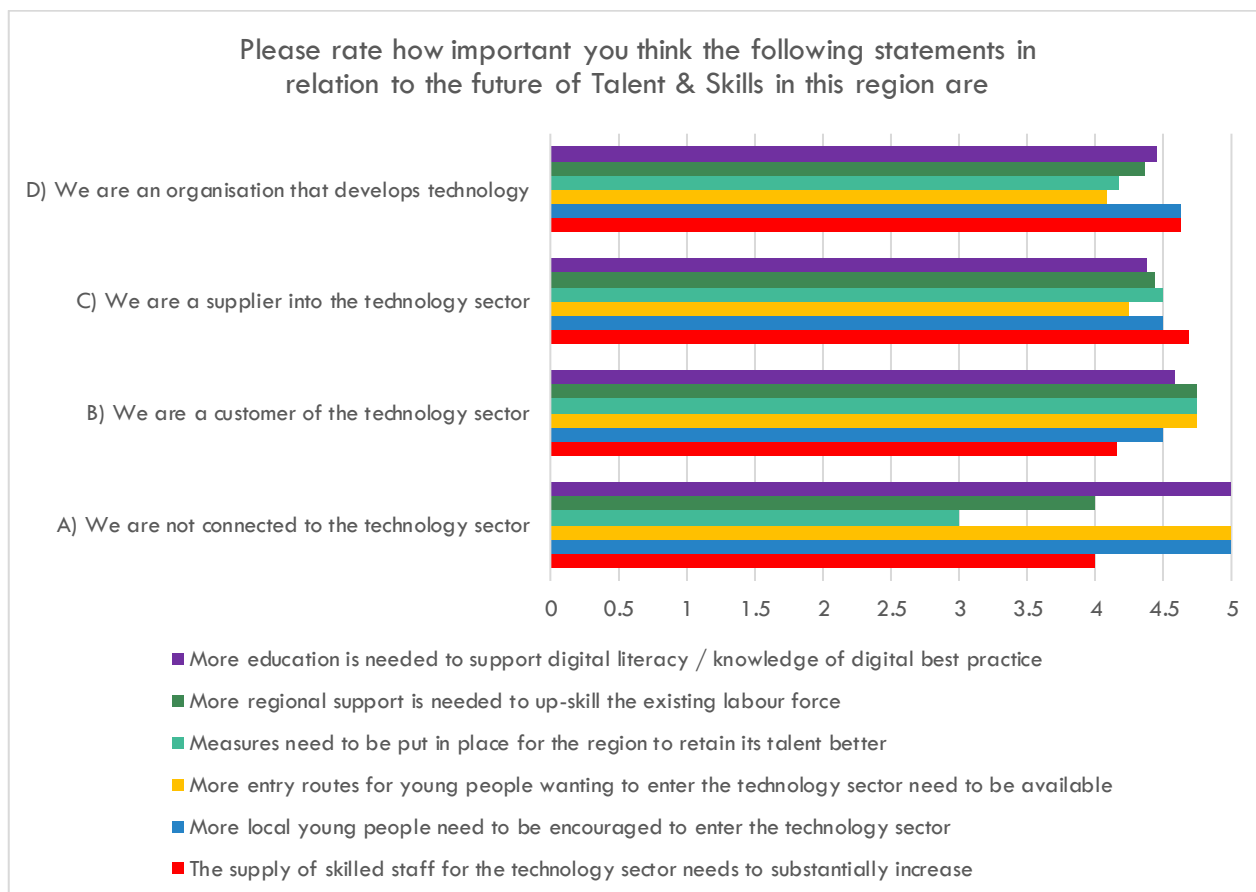
The results become more interesting when looking at the answers disaggregated at district level, one can see that Talent and Skills are perceived as significantly important along all the six priorities in the Fenland, four in Huntingdonshire, three in Peterborough, two in South Cambridgeshire and one each for Cambridge and South Cambridgeshire.

In detail,

- **More local young people need to be encouraged to enter the technology sector**, is particularly relevant in Fenlands, Hunts, South Cambridgeshire and Peterborough, (but it is still relevant also in Cambridge and East Cambridgeshire)
- **More regional support is needed to up-skill the existing labour force**, is relevant in Fenlands, Hunts, and Peterborough
- **More education is needed to support digital literacy / knowledge of digital best practice**, is a relevant issue everywhere apart from East Cambridgeshire
- **More entry routes for young people wanting to enter the technology sector need to be available**, is a particularly relevant issue in Fenlands, Hunts and Peterborough (but also relevant in Cambridge and South Cambridgeshire)
- **The supply of skilled staff for the technology sector needs to substantially increase**, is of key relevance to every region including Cambridge that clearly perceives this bottlenecks.
- **Measures need to be put in place for the region to retain its talent better**, is of key relevance for respondents in the Fenlands, Peterborough and Cambridge

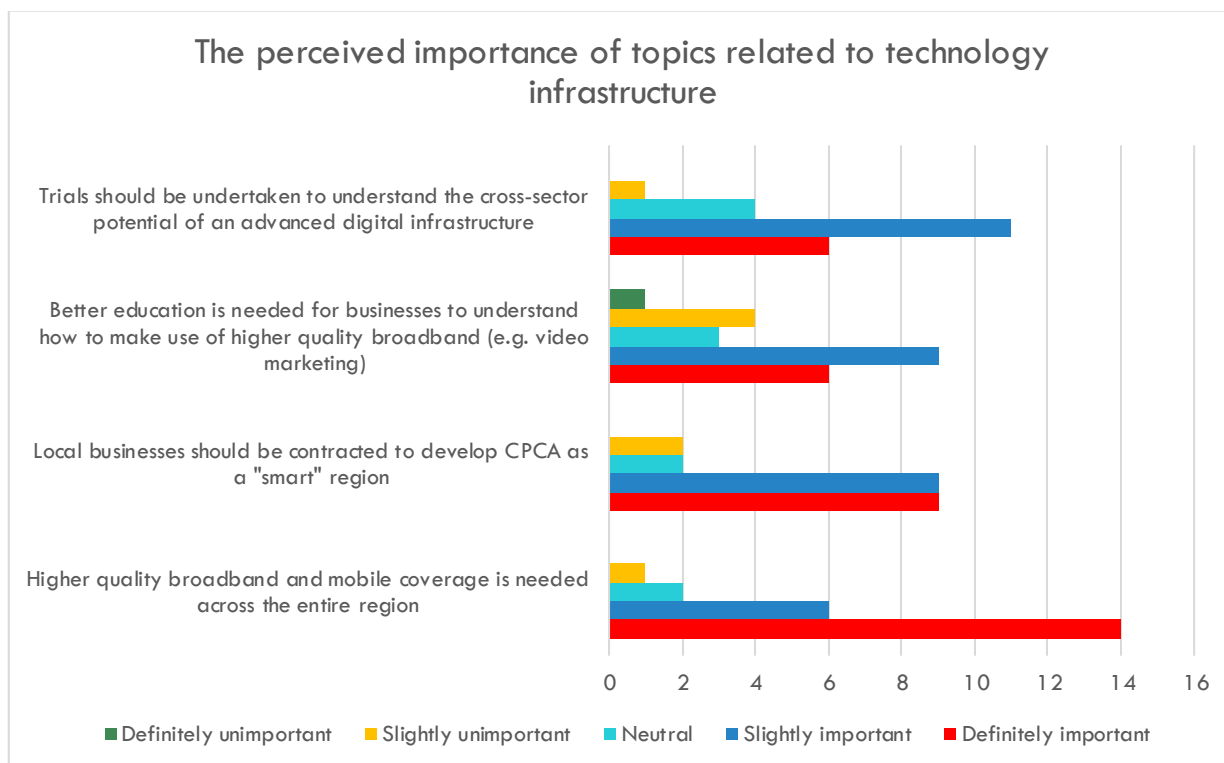


When disaggregating according to the role played in the technology values chain, one can see that the future of Talent and Skills in the Region is perceived as particularly relevant mainly by the respondents that are not connected to the technology sector, and that the key priorities for these respondents are: **More education is needed to support digital literacy / knowledge of digital best practice; More local young people need to be encouraged to enter the technology sector** and; **More local young people need to be encouraged to enter the technology sector**.



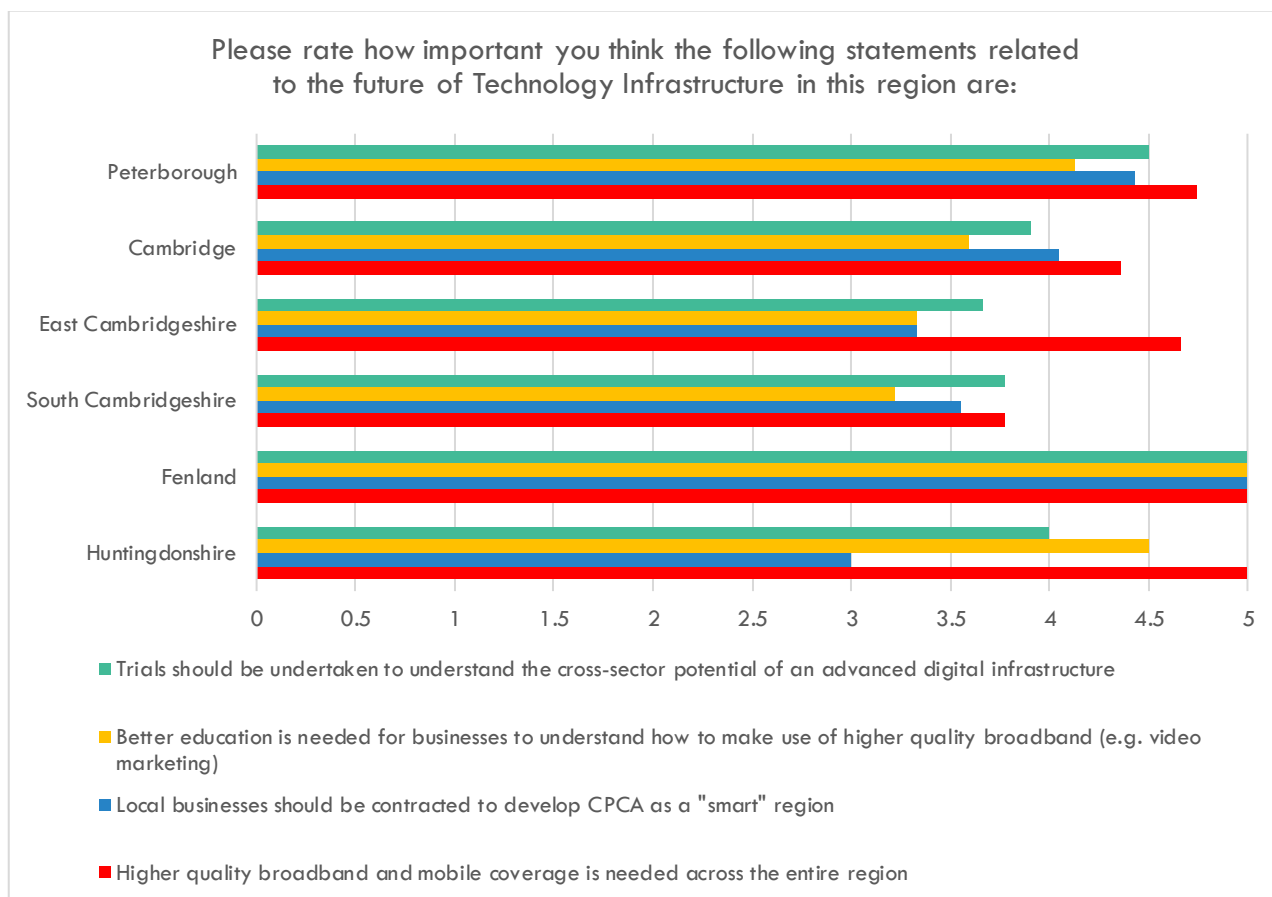
QUANTITATIVE INPUT ON TECHNOLOGY INFRASTRUCTURE

When looking at the perceived importance of topics related to technology infrastructure the aggregate responses show that **Higher quality broadband and mobile coverage is needed across the entire region, is the key priority.**

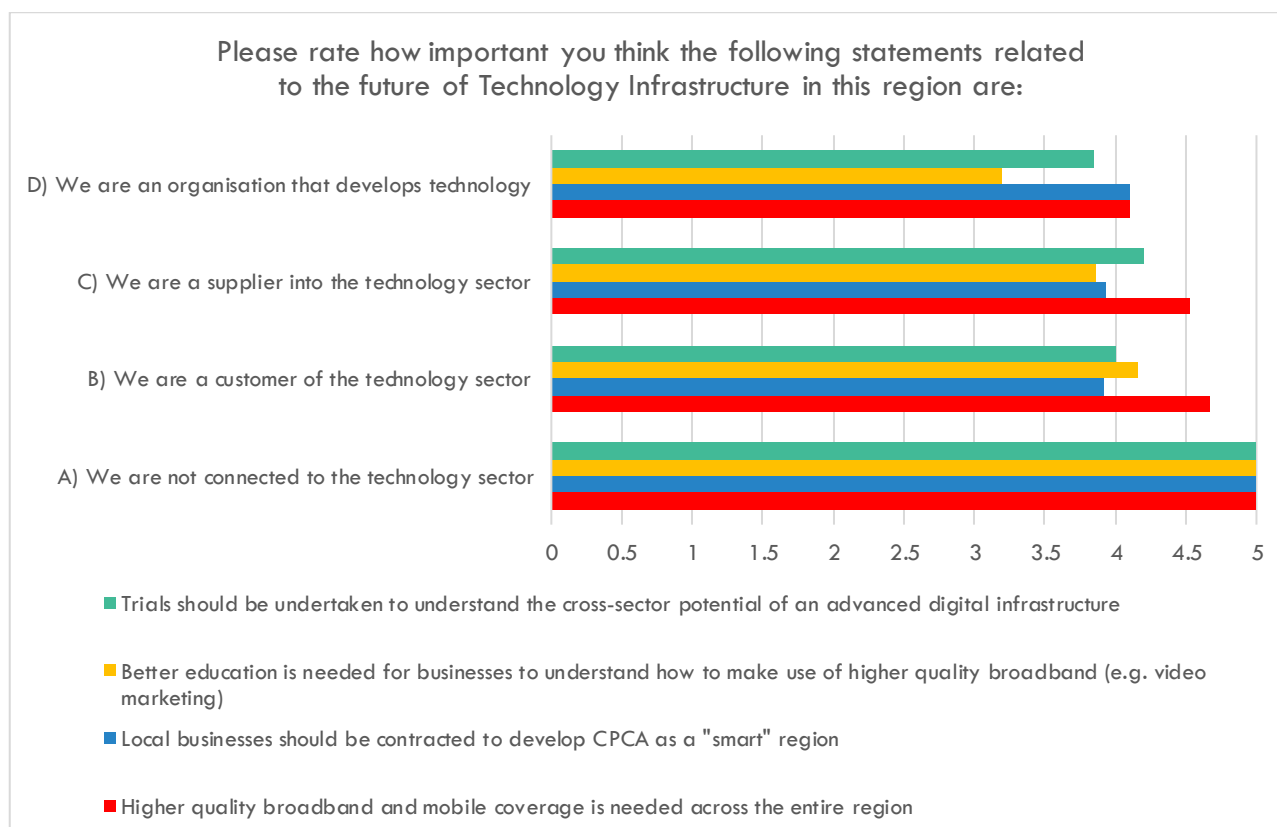


When looking at the disaggregated responses, however, the data show that the Fenlands considered all four options as of key relevance, Peterborough also but with slight less intensity, Cambridge and Huntingdon focussed on two key issues and East Cambridgeshire on one. In detail,

- **Higher quality broadband and mobile coverage is needed across the entire region**, was a top priority for all areas apart from East Cambridgeshire
- **Local businesses should be contracted to develop CPCA as a "smart" region**, is particularly relevant for the Fenlands, Peterborough and Cambridge
- **Better education is needed for businesses to understand how to make use of higher quality broadband (e.g. video marketing)**, was a priority for respondents in Fenlands, Hunts and Peterborough, while
- **Trials should be undertaken to understand the cross-sector potential of an advanced digital infrastructure**, seems to be critically relevant for Fenlands, Hunts and Peterborough.

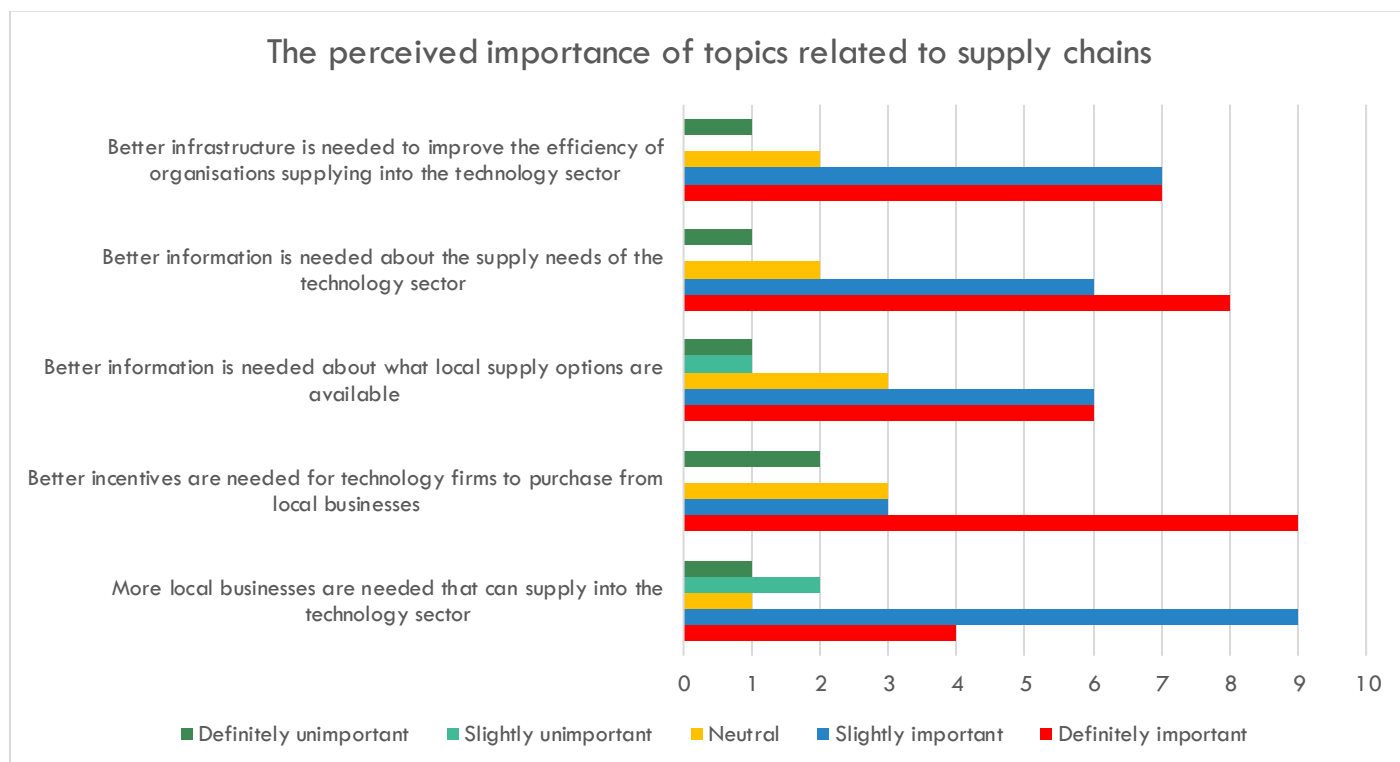


All the priorities were of higher relevance, for the respondents that considered themselves as not connected to the technology sector.

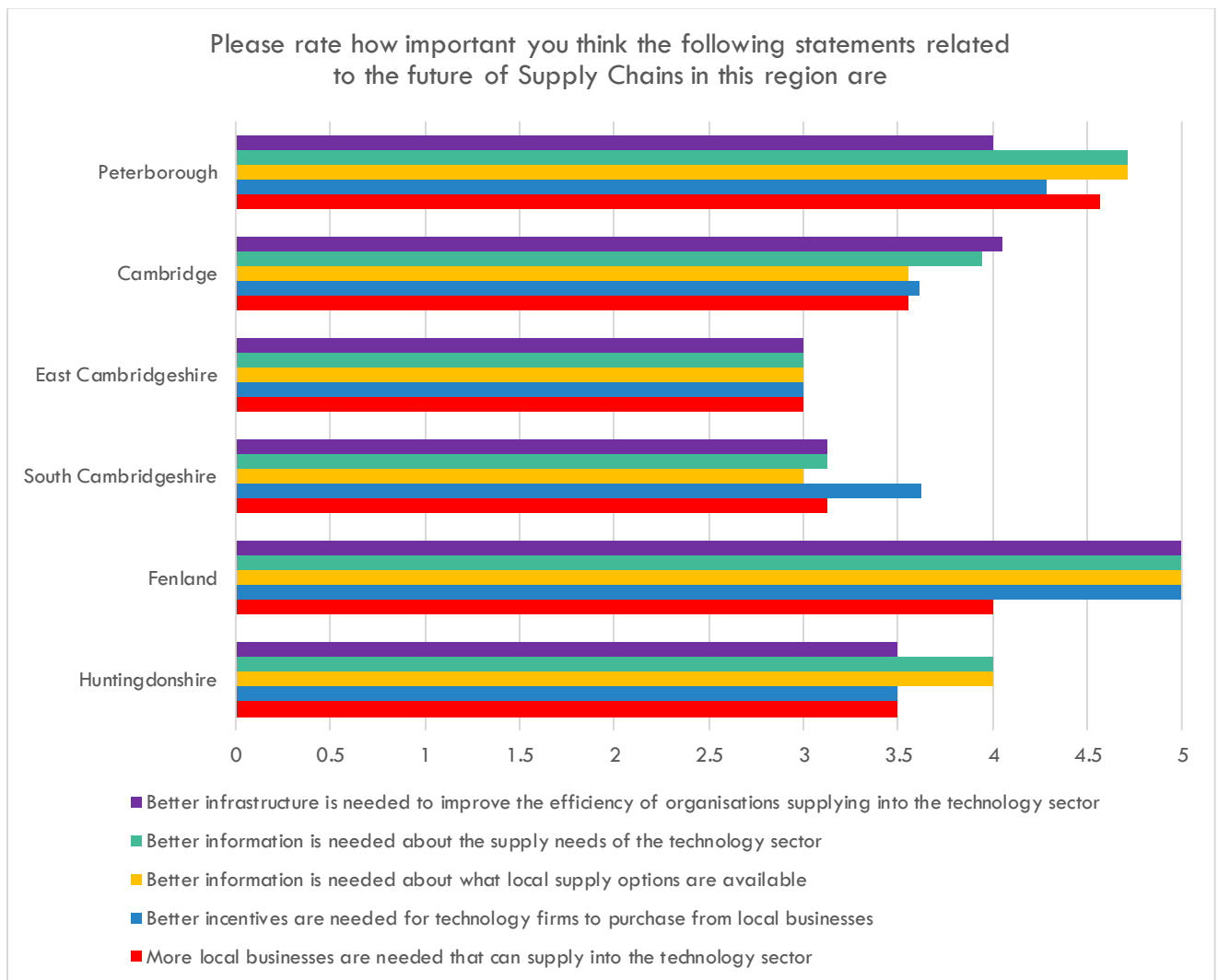


QUANTITATIVE INPUT ON SUPPLY CHAINS

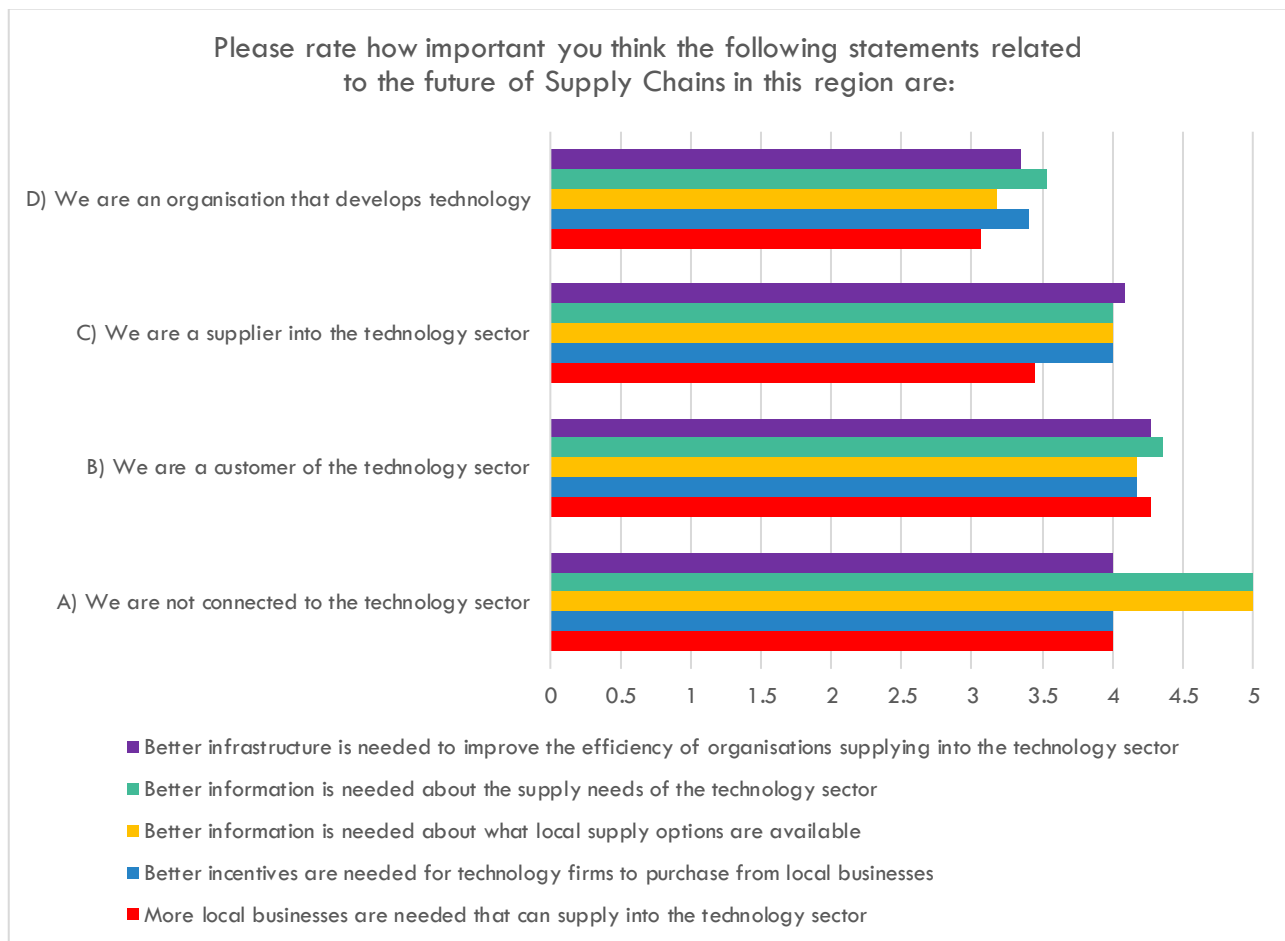
Moving to the perceived importance of topics related to supply chains, one can see that **Better incentives are needed for technology firms to purchase from local businesses**, is the top priority at aggregate level followed by **Better information is needed about the supply needs of the technology sector** and that **More local businesses are needed that can supply into the technology sector** is also relevant for a significant number of respondents.



- **Better information is needed about what local supply options are available**, and
- **Better information is needed about the supply needs of the technology sector**, were the priorities on supply chains for Peterborough the Fenlands and Hunts
- **Better infrastructure is needed to improve the efficiency of organisations supplying into the technology sector**, was a key priority for Peterborough the Fenlands and Cambridge
- **Better incentives are needed for technology firms to purchase from local businesses**, were of high relevance for Peterborough and the Fenlands and, finally
- **More local businesses are needed that can supply into the technology sector**, was of high relevance only in Peterborough and the Fenlands

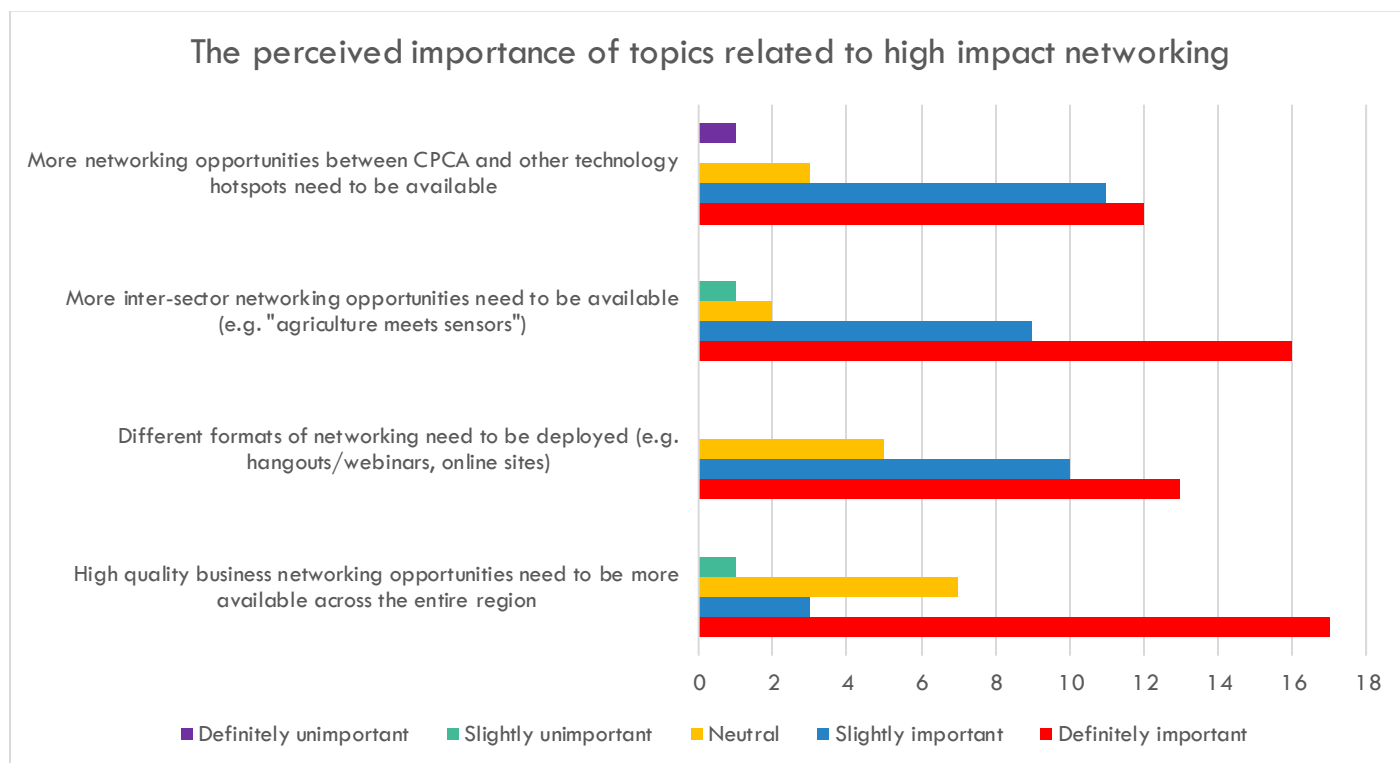


- When focussing on the role in the value chain, **Better information is needed about what local supply options are available**, and **Better information is needed about the supply needs of the technology sector**, were the key priorities, the relevance of which was particularly by the respondents that considered themselves as not connected to the technology sector.



QUANTITATIVE INPUT ON HIGH IMPACT NETWORKING

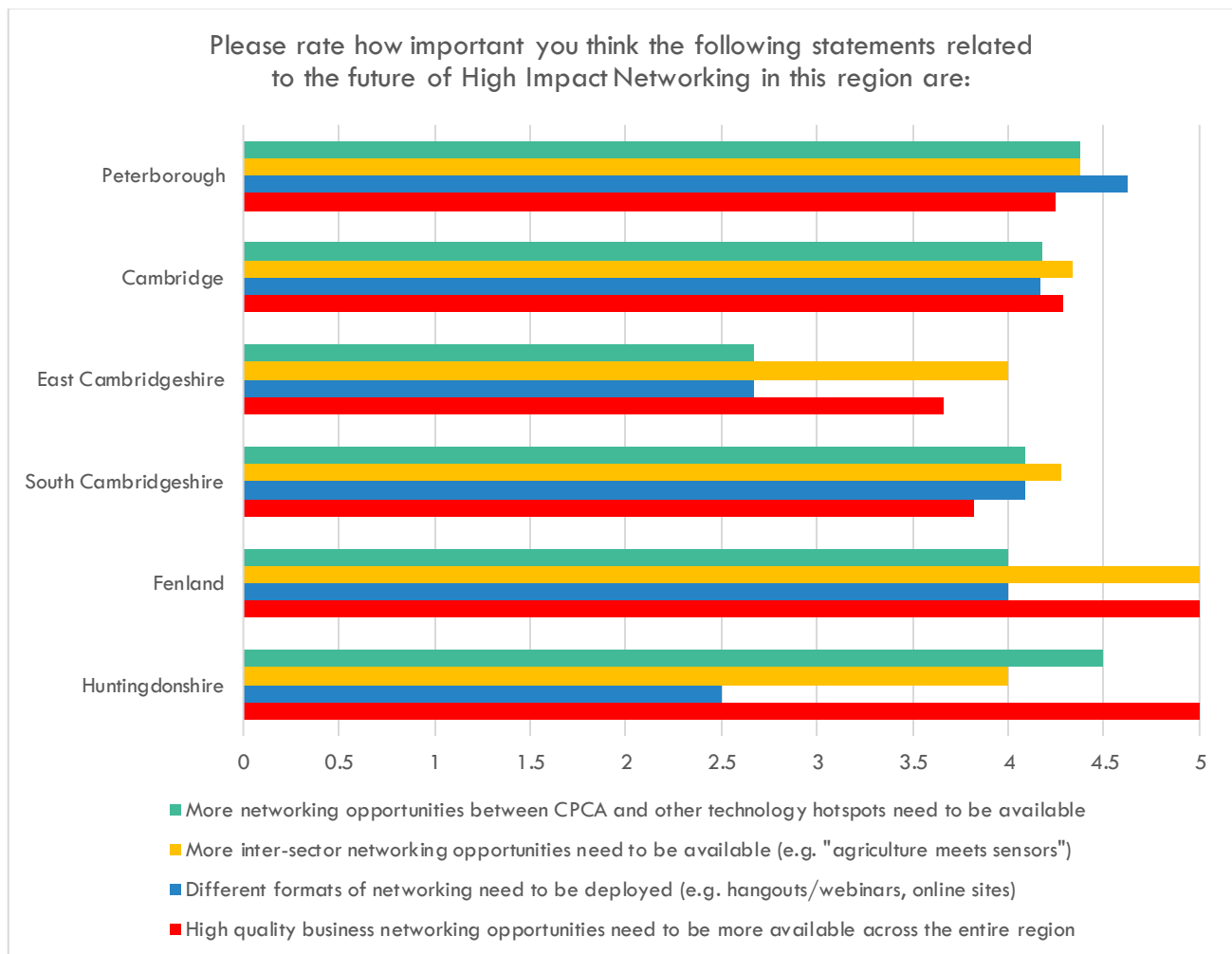
Moving to the perceived importance of topics related to high impact networking, one can see **that High quality business networking opportunities need to be more available across the entire region**, and **More inter-sector networking opportunities need to be available** are the two top priorities at aggregate level.



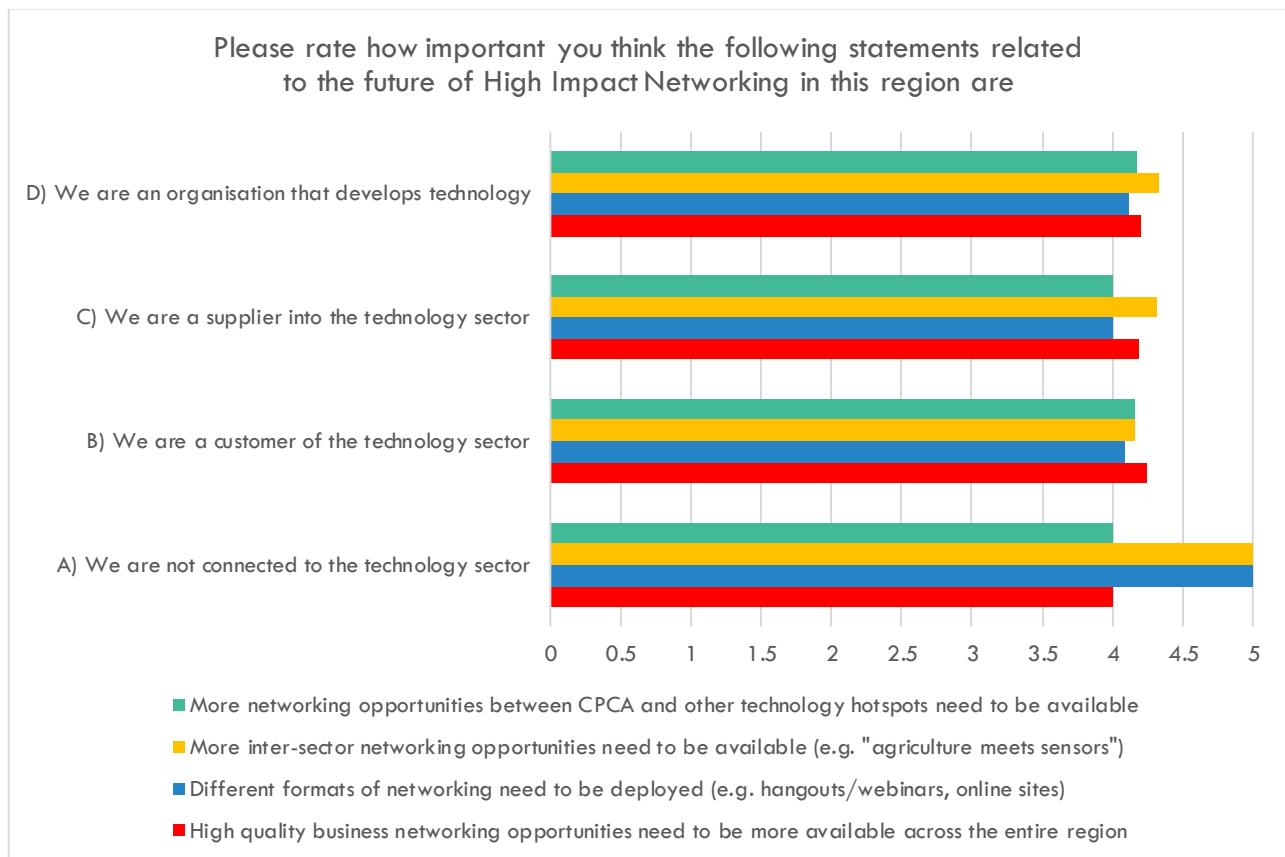
By looking at the geography data, The Fenlands identify these same two priorities as critically relevant:

- **High quality business networking opportunities need to be more available across the entire region, and**
- **More inter-sector networking opportunities need to be available** (e.g. "agriculture meets sensors")

This last priority is critically important also for Huntingdonshire

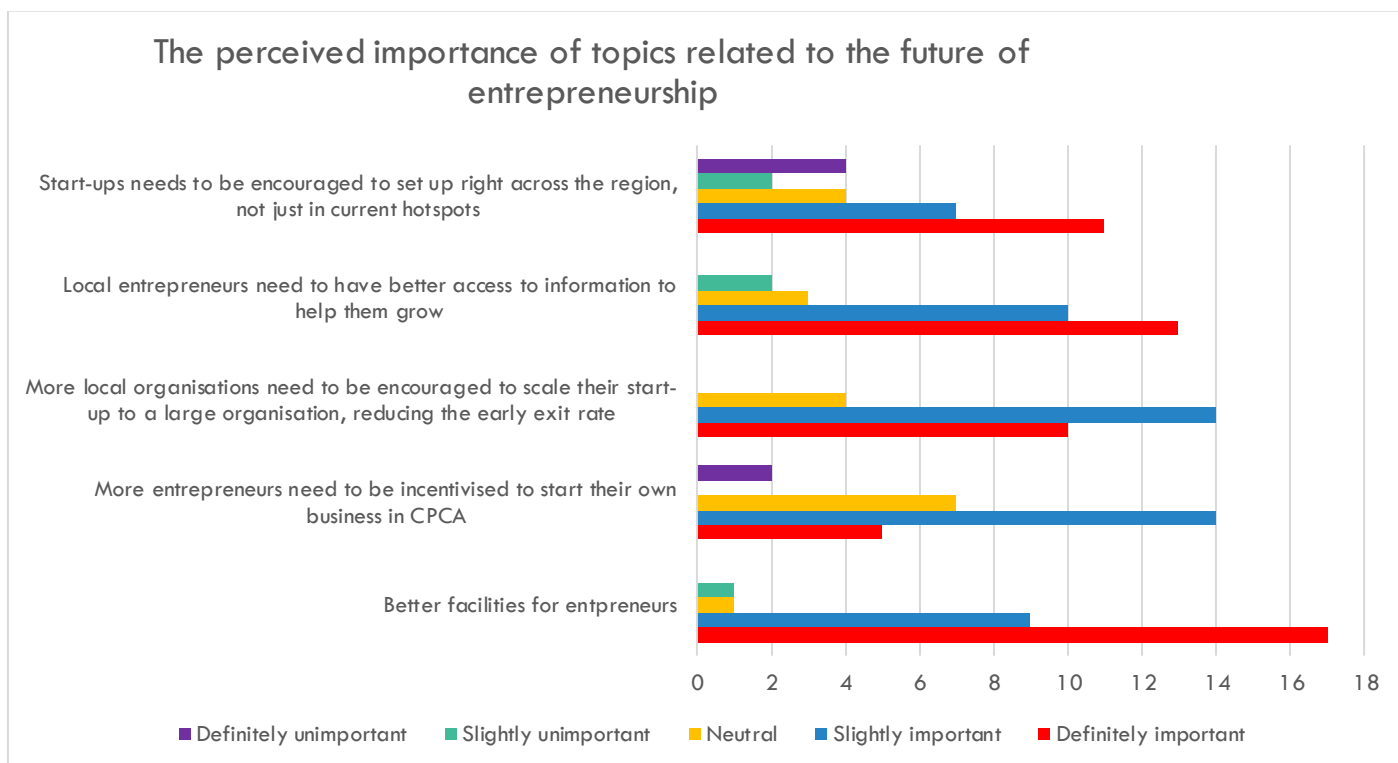


Similarly to the previous domains, the respondents not connected to the technology sector expressed the strongest needs, focussing in particular on **More inter-sector networking opportunities need to be available** and **on different formats of networking need to be deployed**



QUANTITATIVE INPUT ON ENTREPRENEURSHIP

Considering the perceived importance of topics related to the future of entrepreneurship, one can see that Better facilities for entrepreneurs was definitively important for a relevant number of respondents



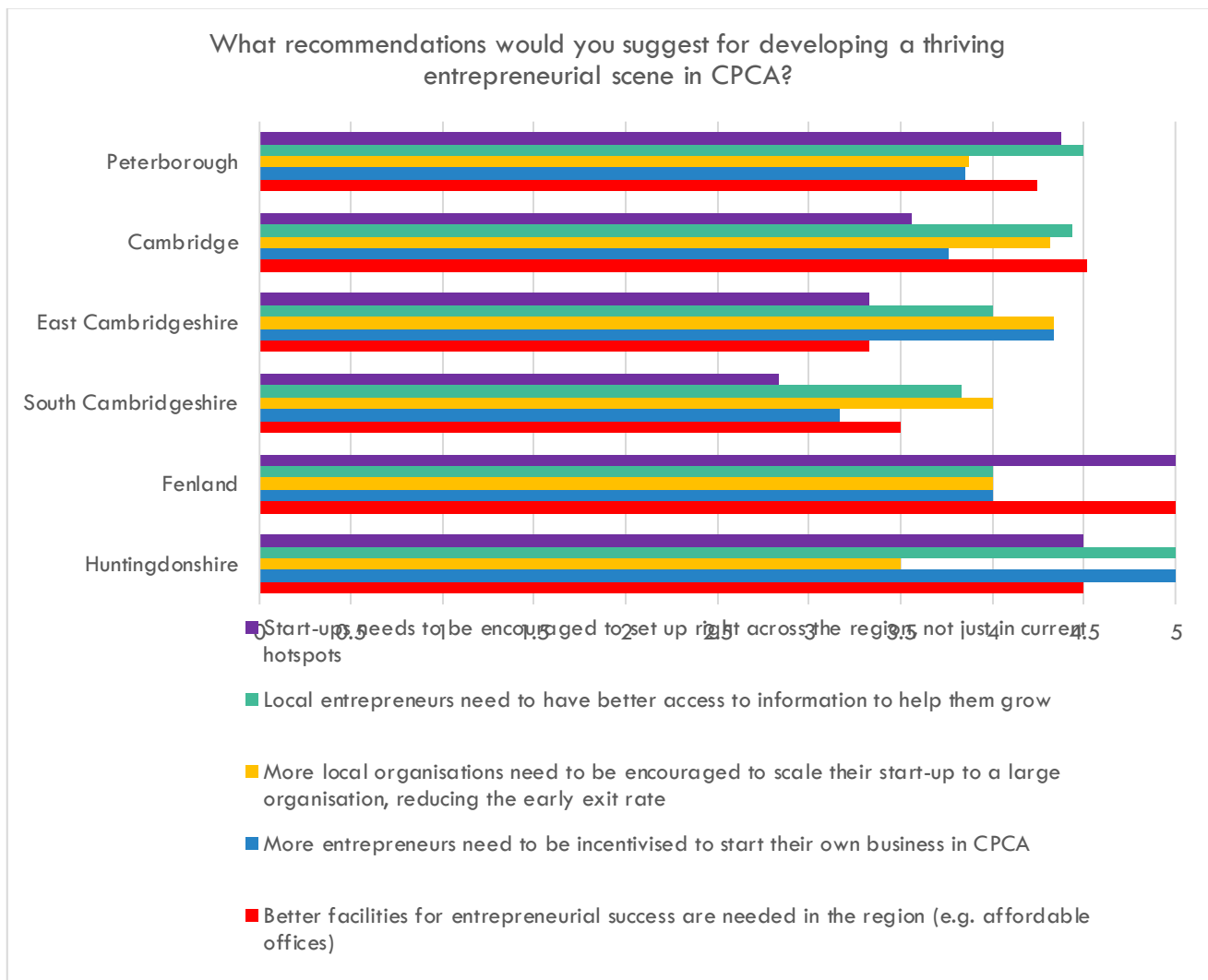
The Graphs below shows the geographic distribution of priorities for developing a thriving entrepreneurial scene in CPCA across areas. The Fenland's answers prioritise

- **Start-ups needs to be encouraged to set up right across the region, not just in current hotspots** and
- **Better facilities for entrepreneurial success are needed in the region** (e.g.affordable offices)

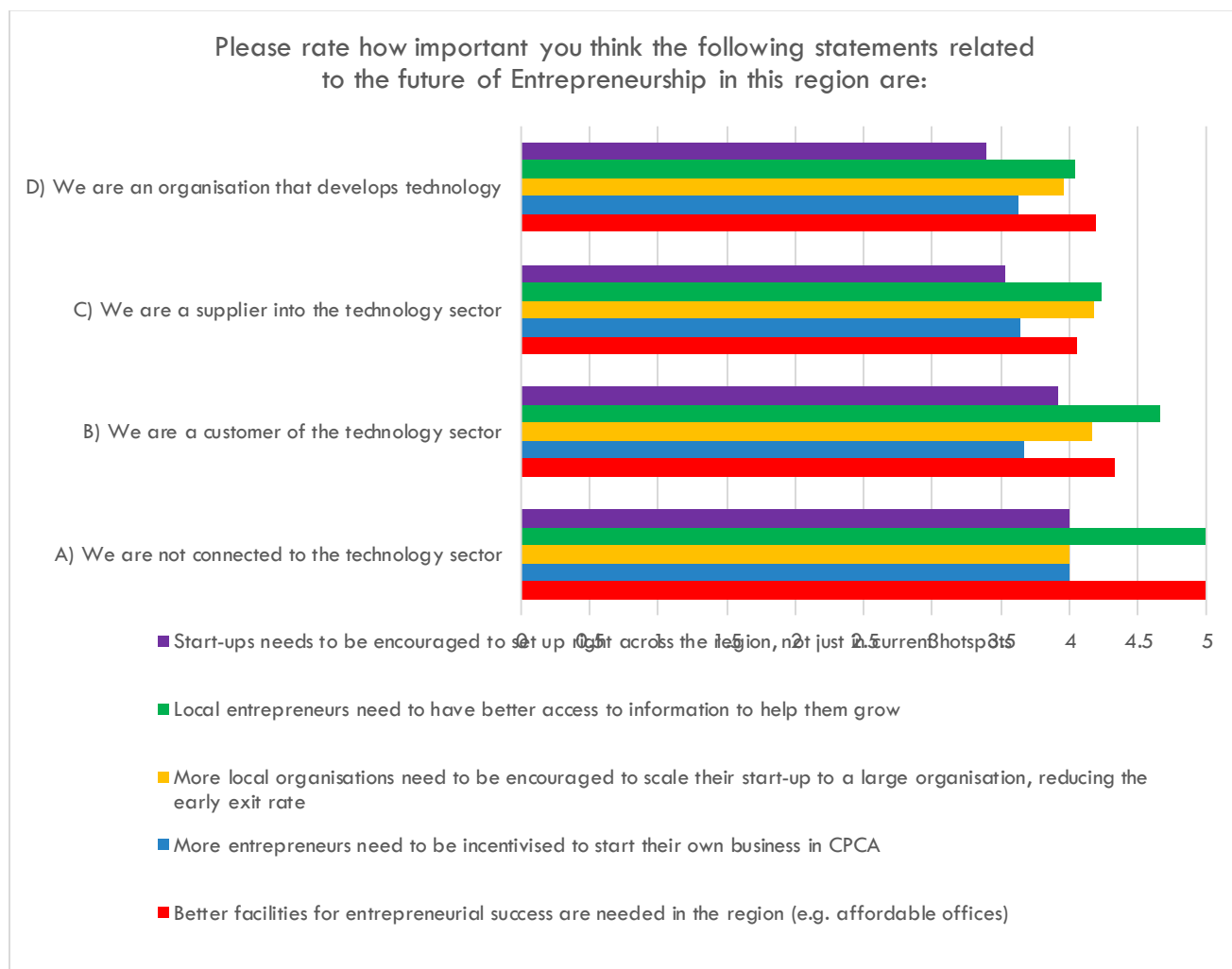
While Huntingdonshire prioritised

- **More entrepreneurs need to be incentivised to start their own business in CPCA** and
- **Local entrepreneurs need to have better access to information to help them grow**

Fenland/Peterborough/Huntingdon do place more importance in start-ups being encouraged around the region than East/South/Cam while the need for start-up facilities is highest in Fenland, followed by Cambridge

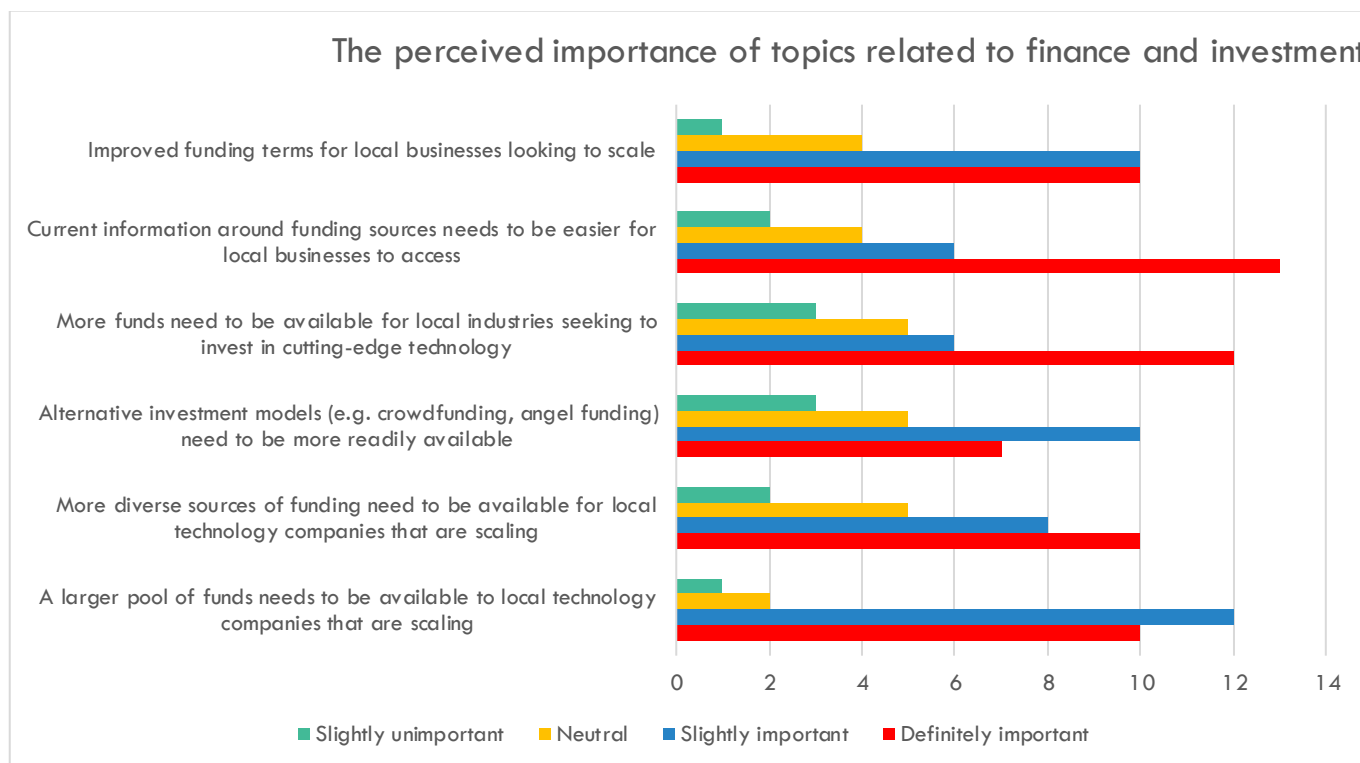


- Also when considering the priorities on entrepreneurship, the respondents non connected to the technology sector indicated the higher priorities as **Better facilities for entrepreneurial success are needed in the region** (e.g.affordable offices) and **Local entrepreneurs need to have better access to information to help them grow**.

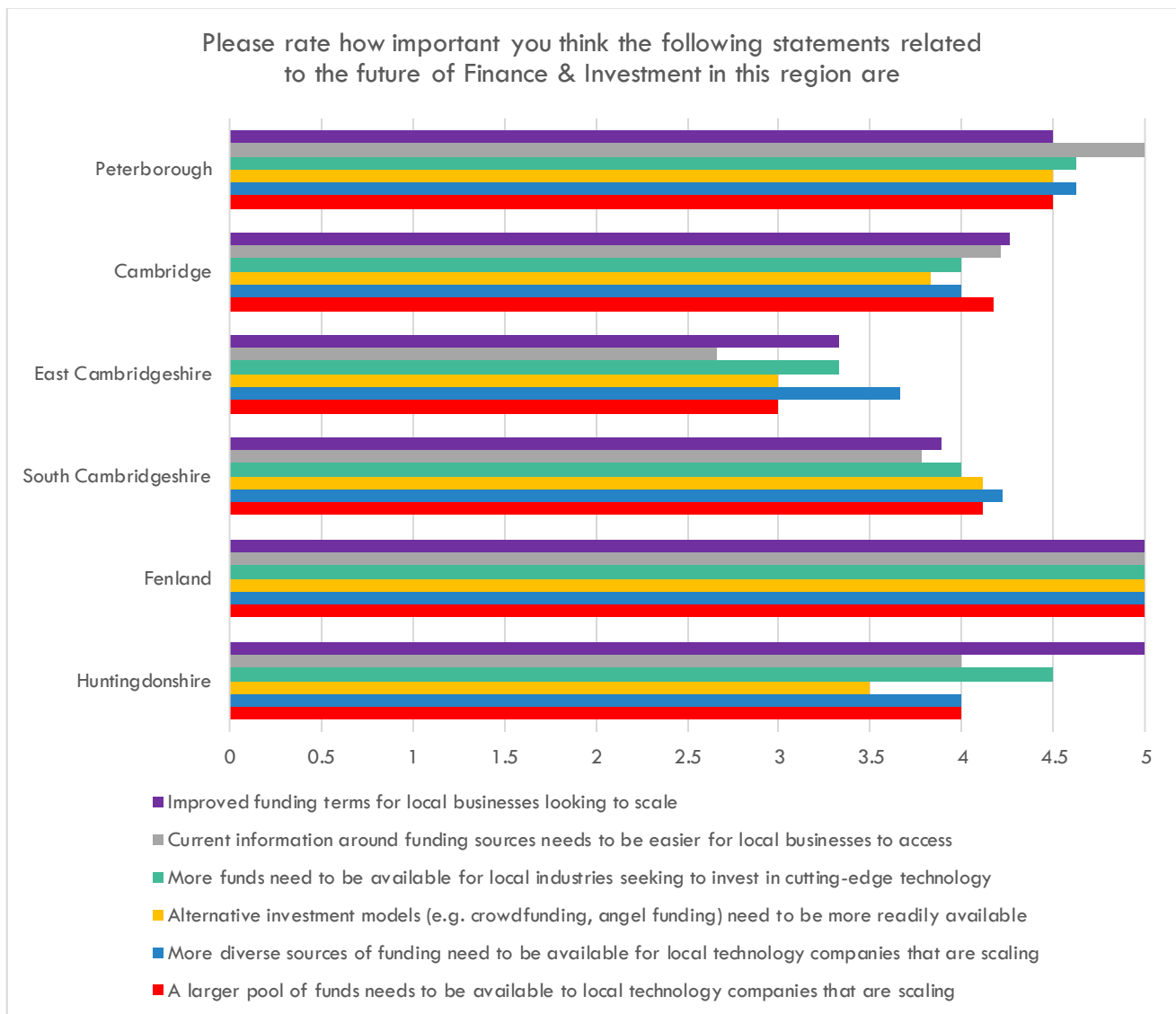


QUANTITATIVE INPUT ON INVESTMENT AND FINANCE

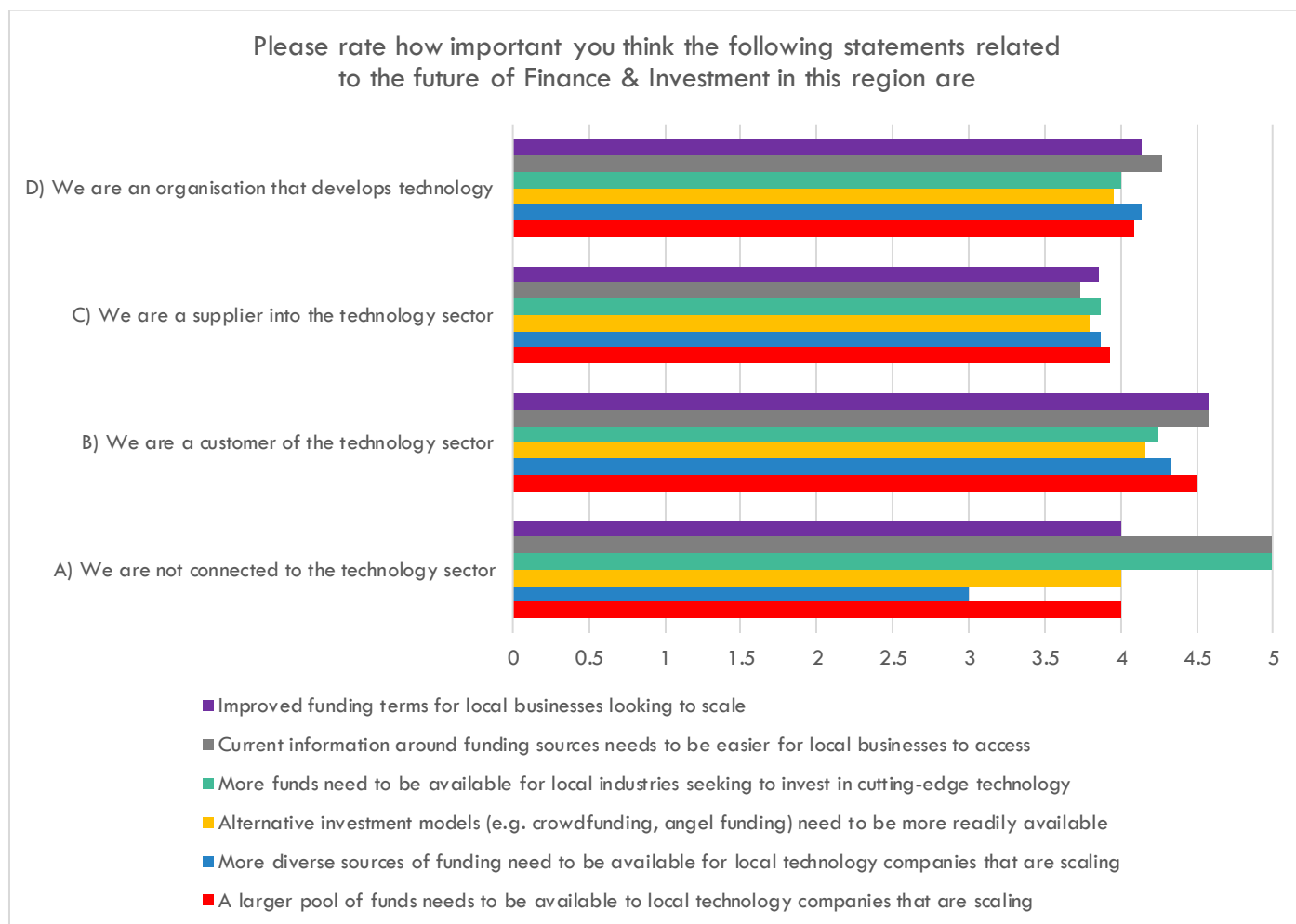
Moving to the answers on the perceived importance of topics related to finance and investment, once can see that the priorities at aggregate level are: **current information around funding sources needs to be easier local business to access** and **more funds need to be available for local industries seeking to invest in cutting edge technology**



When considering the disaggregated answers, at district level, one can see that, The Fenlands identify all these as top priorities, showing a very wide set of needs around finance and investment, while Huntingdonshire identifies the need for **Improved funding terms for local businesses looking to scale** as the key priority indicating the willingness to scale

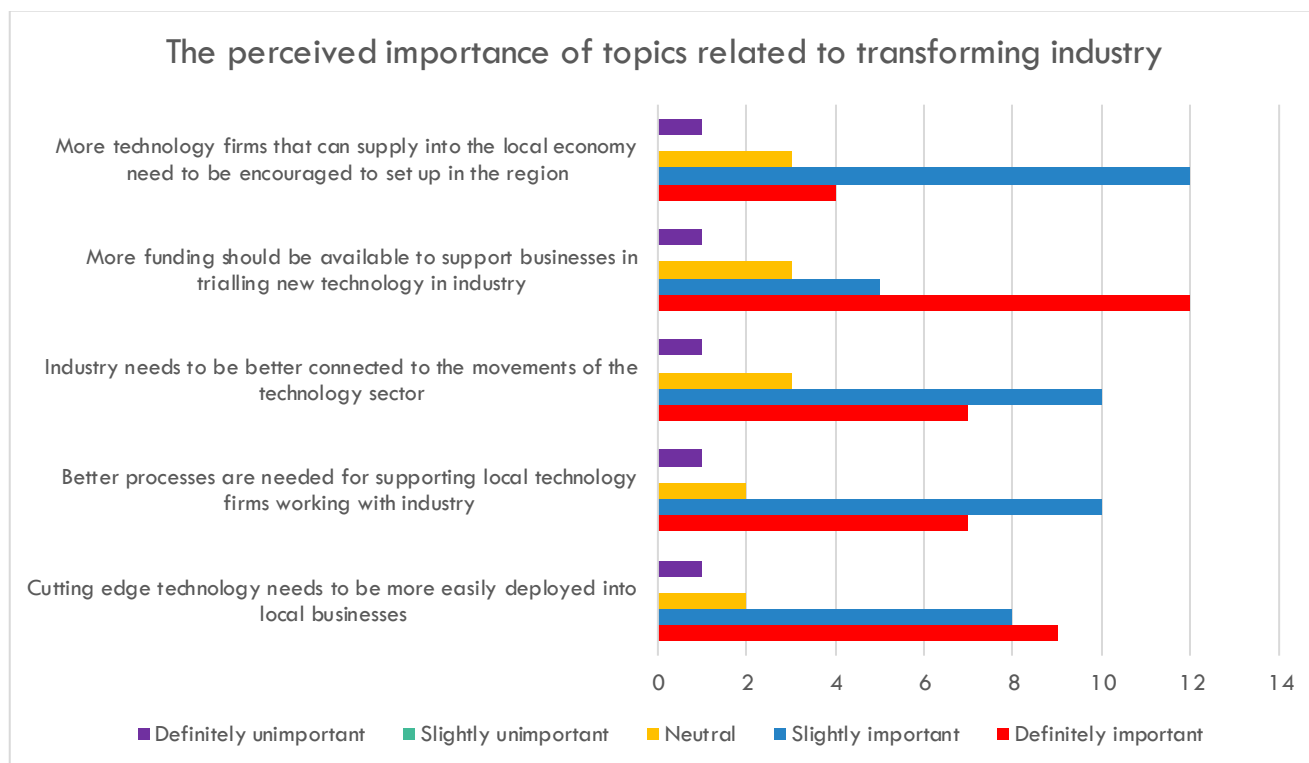


Again, focussing on the role in the supply chain, the respondents non connected to the technology sector indicated the higher priorities, a those on the **current information around funding sources needs to be easier local business to access** and **more funds need to be available for local industries seeking to invest in cutting edge technology**.



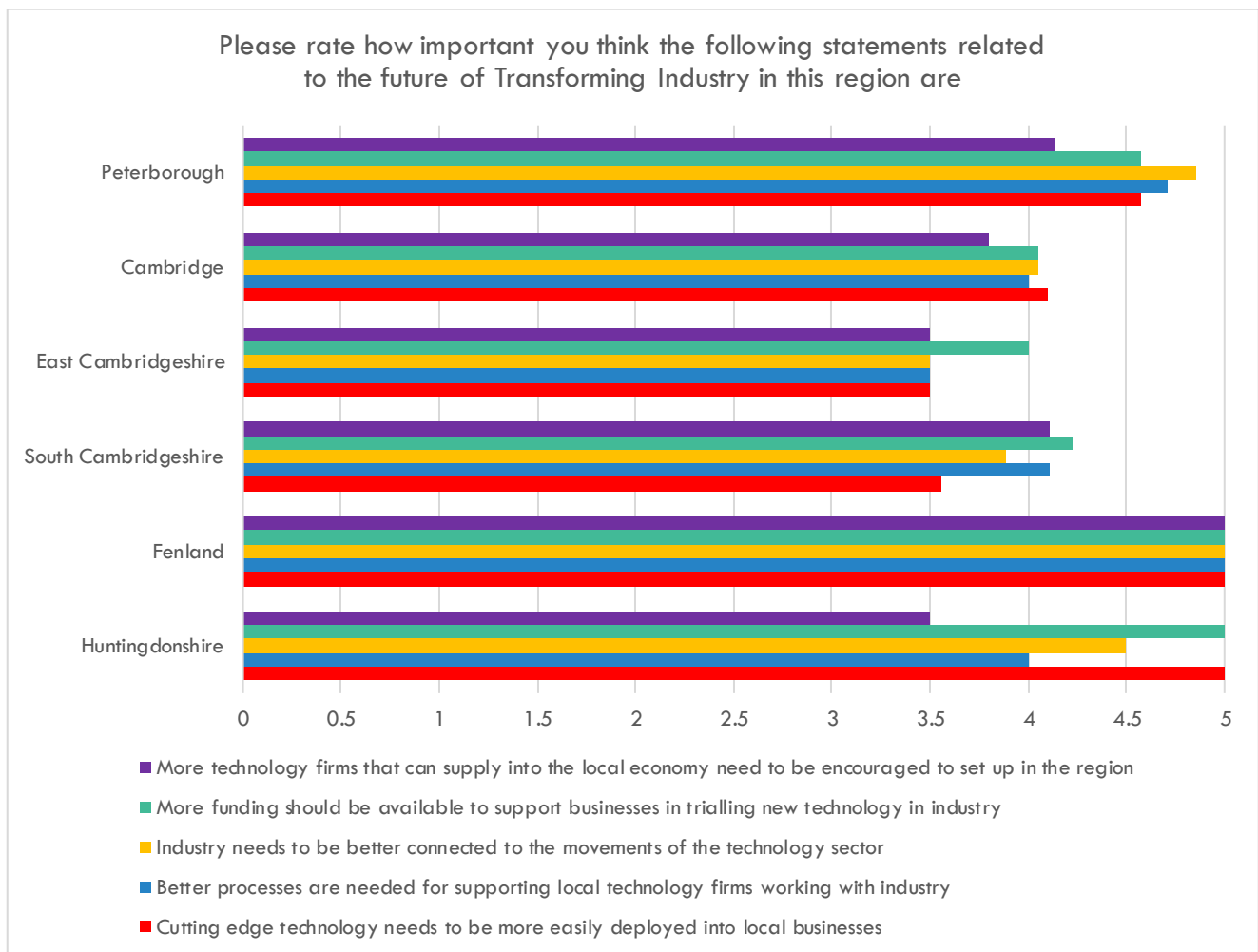
QUANTITATIVE INPUT ON APPLICATION IN INDUSTRY

Moving to the relevance importance of topics related to transforming industry, this question addressed a more active propositive stance, asking to look at the critical elements needed to transform the future. At aggregate leve, the key identified issue is **More funding should be available to support businesses in trialling new technology in industry**, followed by **More technology firms that can supply into the local economy need to be encouraged to set up in the region**.

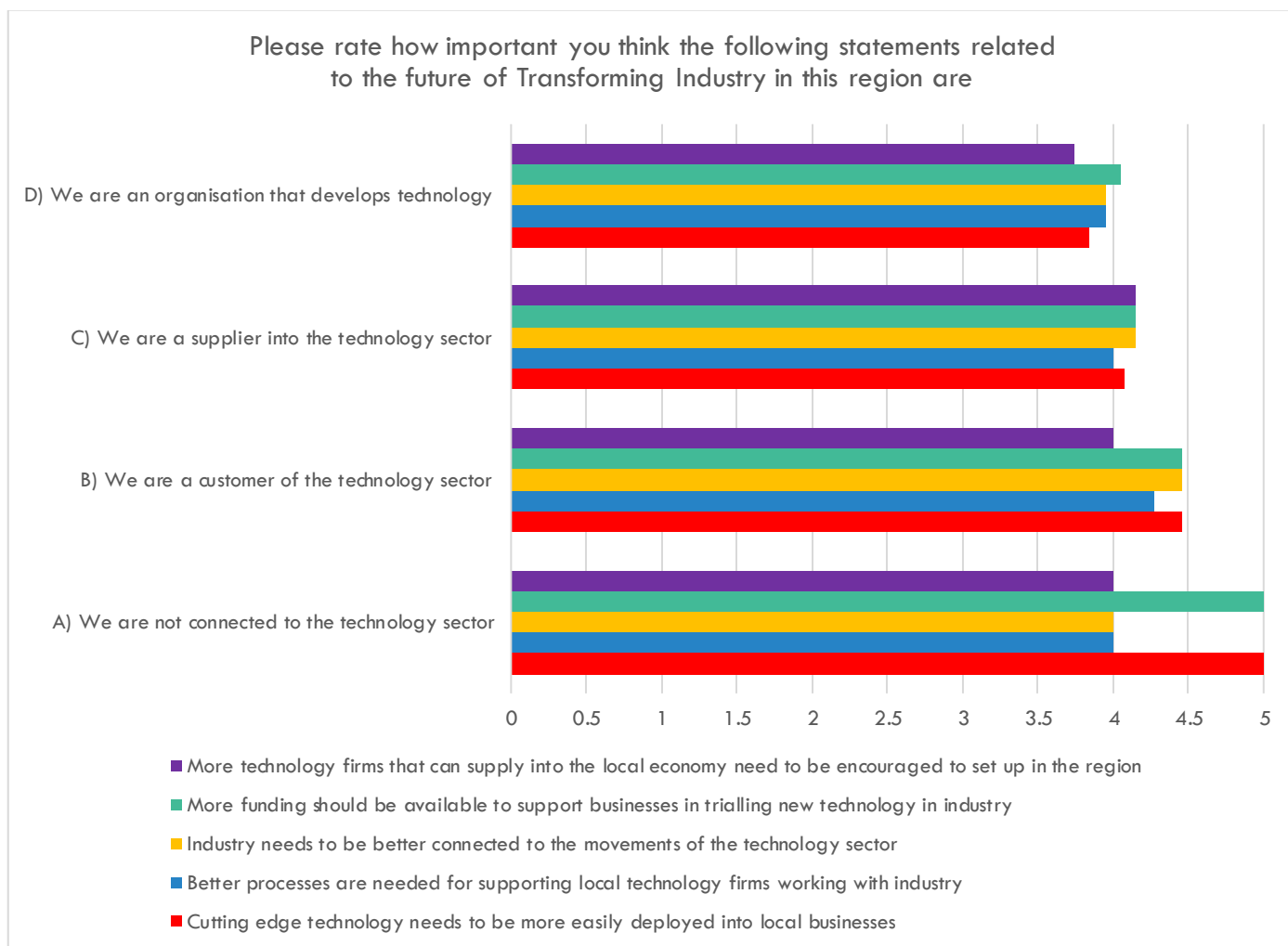


Shifting to focus on the district level, one can see that, again, the Fenlands considered all issues as being of critical importance as well as Peterborough and Hunts, though with slight less intensity. In detail, both

- **Industry needs to be better connected to the movements of the technology sector and**
- **Cutting edge technology needs to be more easily deployed into local businesses,** were of key relevance for the Fenlands Peterborough and Hunts as well as Cambridge
- **Better processes are needed for supporting local technology firms working with industry,** are critical for Fenlands Peterborough and Hunts, South Cambridgeshire as well as Cambridge
- **More funding should be available to support businesses in trialling new technology in industry** is, as expected, relevant for all areas, even though with some variation in intensity, while
- **More technology firms that can supply into the local economy need to be encouraged to set up in the region,** was relevant for Fenlands Peterborough and, South Cambridgeshire



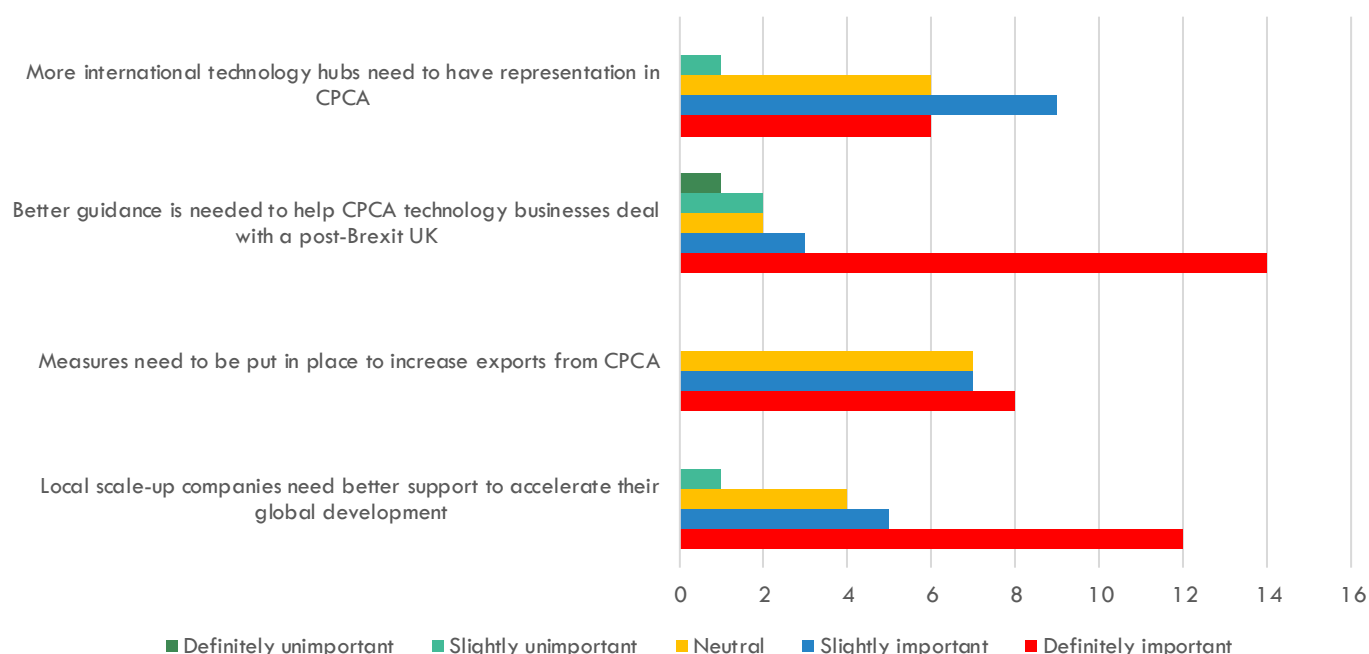
When focussing on the role in the supply chain, the respondents non connected to the technology sector indicated the higher priorities, are those prioritising the relevance of **More funding should be available to support businesses in trialling new technology in industry** and **Cutting edge technology needs to be more easily deployed into local businesses**



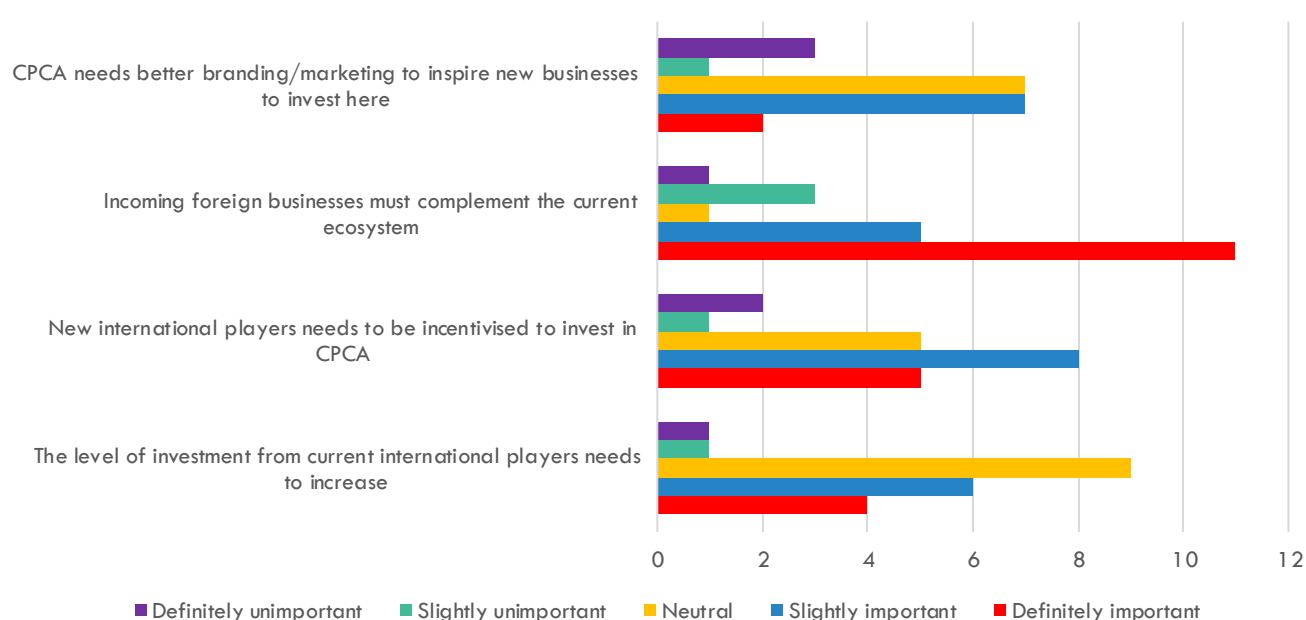
QUANTITATIVE INPUT ON INTERNATIONAL (TRADE AND FDI)

- Moving to the perceived importance of topics related to international trade and FDI the clear priority is **Better guidance is needed to help CPCA technology businesses deal with a post-Brexit UK**, followed by **Local scale-up companies need better support to accelerate their global development**. While concerning more specifically FDI the top identified priority was **Incoming foreign businesses must complement the current ecosystem**

The perceived importance of topics related to international trade



The perceived importance of topics related to the future of foreign direct investment



Moving to the district analysis of these factors, the Fenlands and Huntingdonshire showed two key areas of concerns, East Cambridgeshire and Peterborough one.

In detail

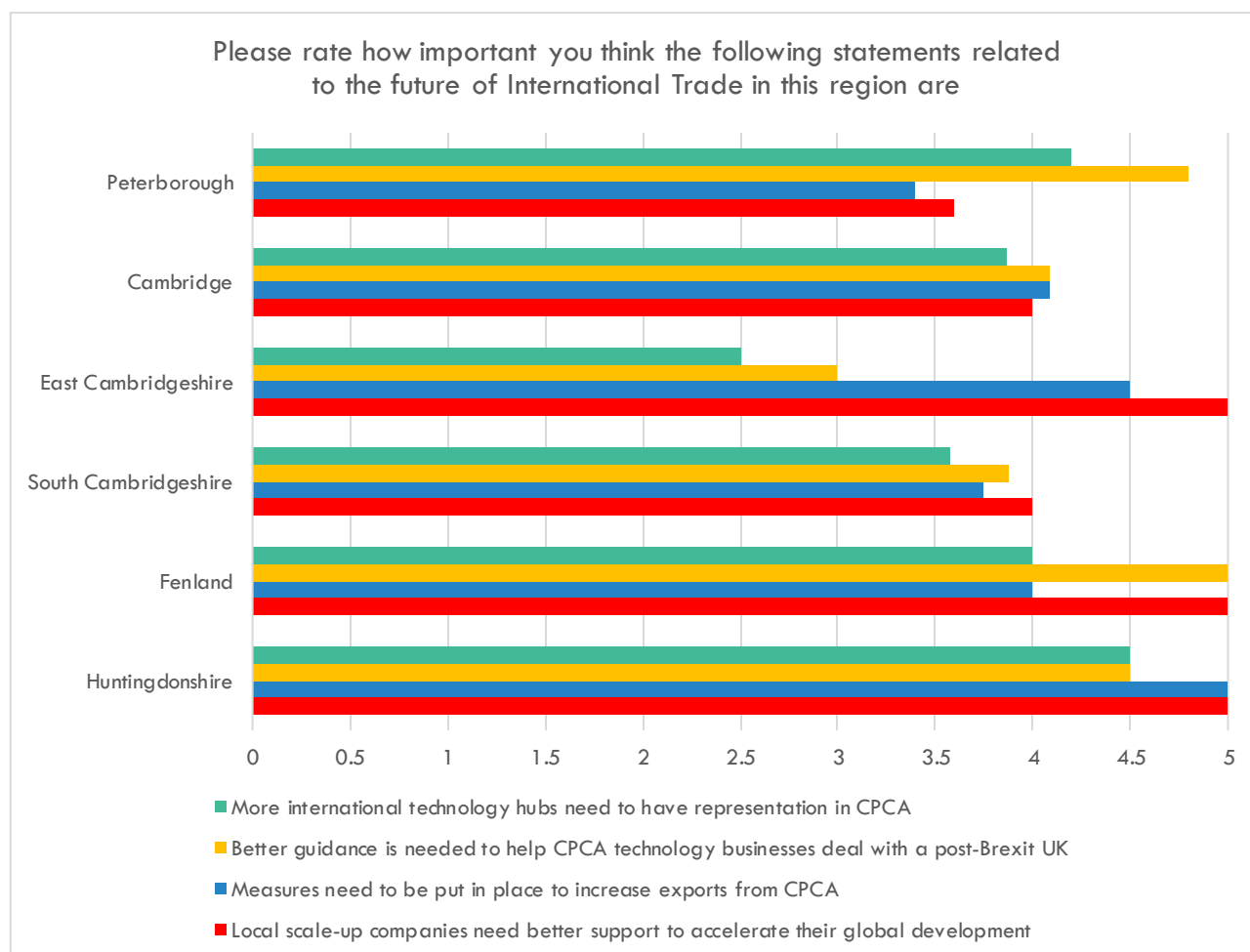
- **Local scale-up companies need better support to accelerate their global development** is top priority and shared between Fenlands Huntingdonshire and East Cambridgeshire, next comes
- **Better guidance is needed to help CPCA technology businesses deal with a post-Brexit UK**, as a top priority in the Fenlands and Peterborough
- **Measures need to be put in place to increase exports from CPCA**, is of top importance for Huntingdonshire

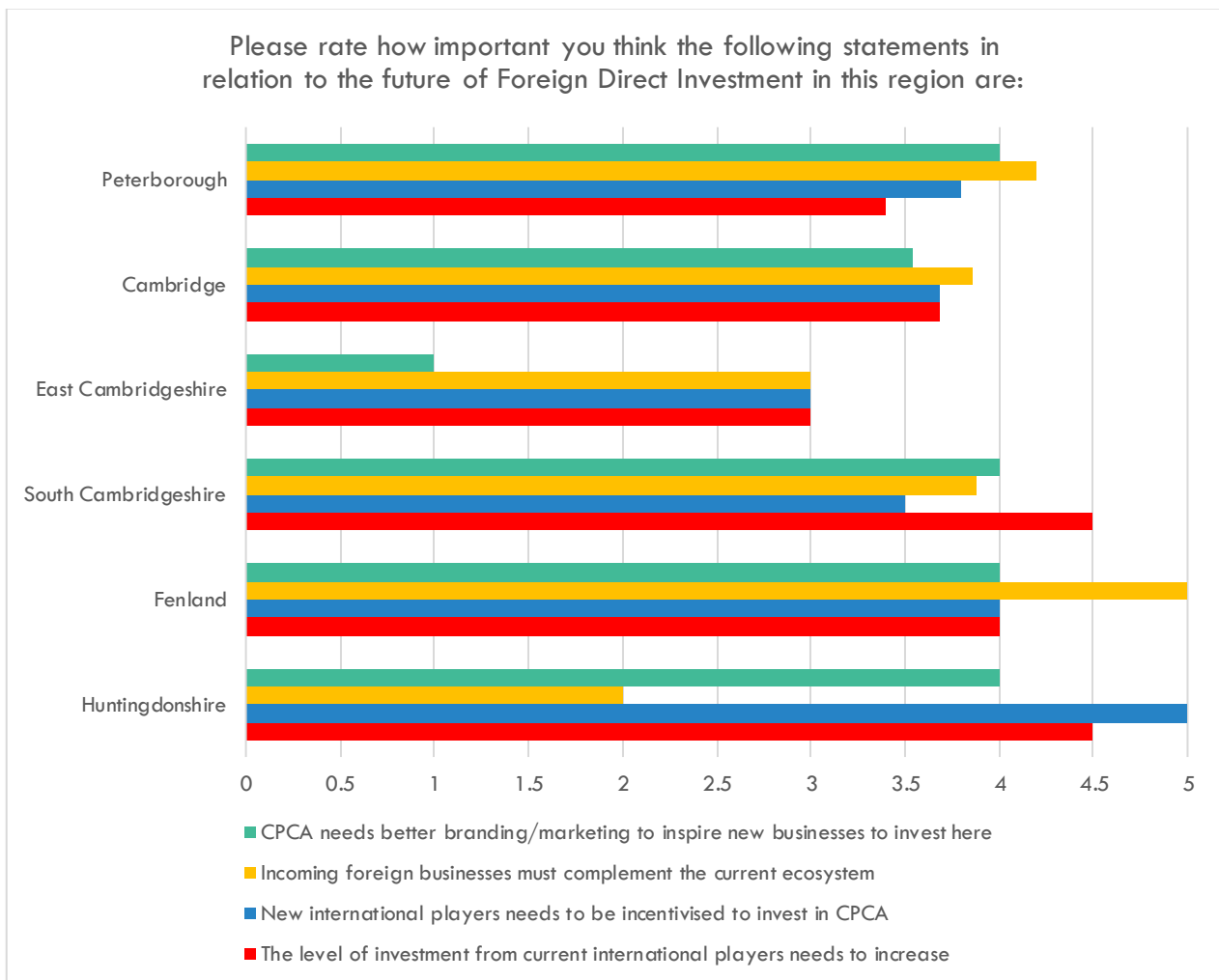
FDI presents three main areas of concern, perceived as highly relevant. In the Fenland, the key issue is that

- **Incoming foreign businesses must complement the current ecosystem**

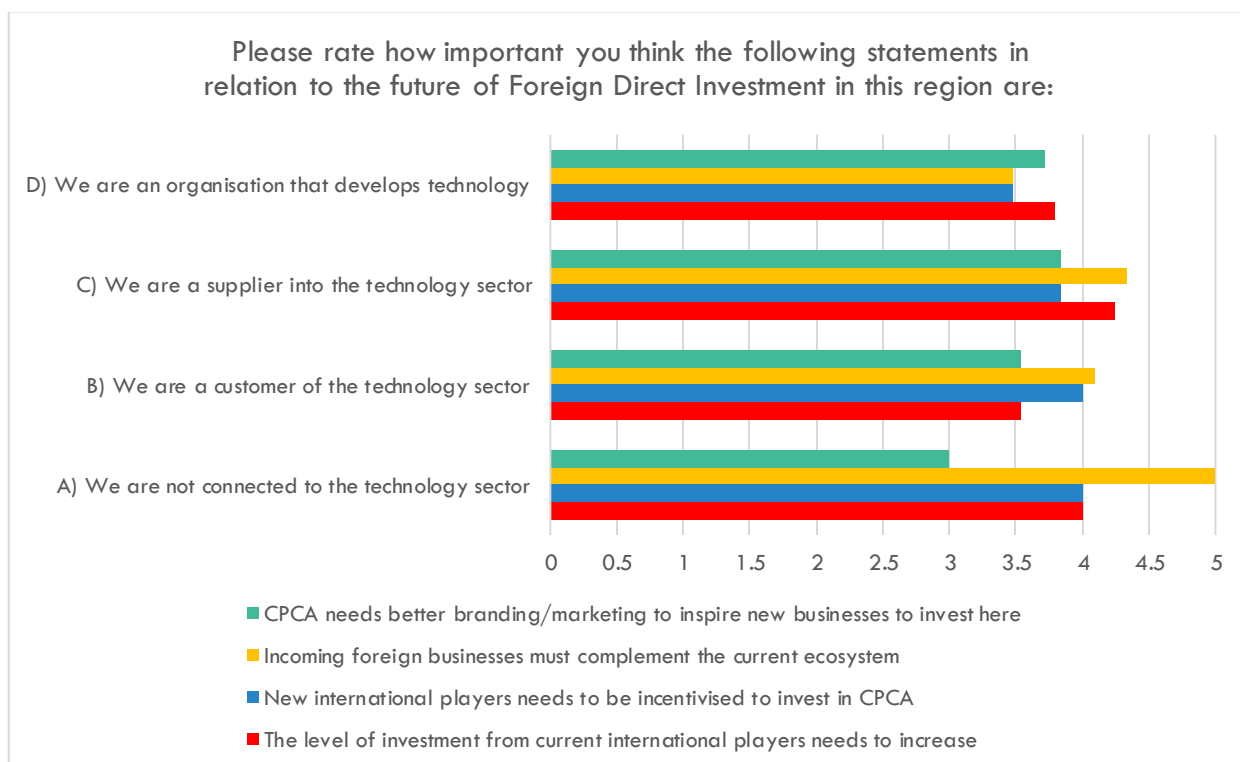
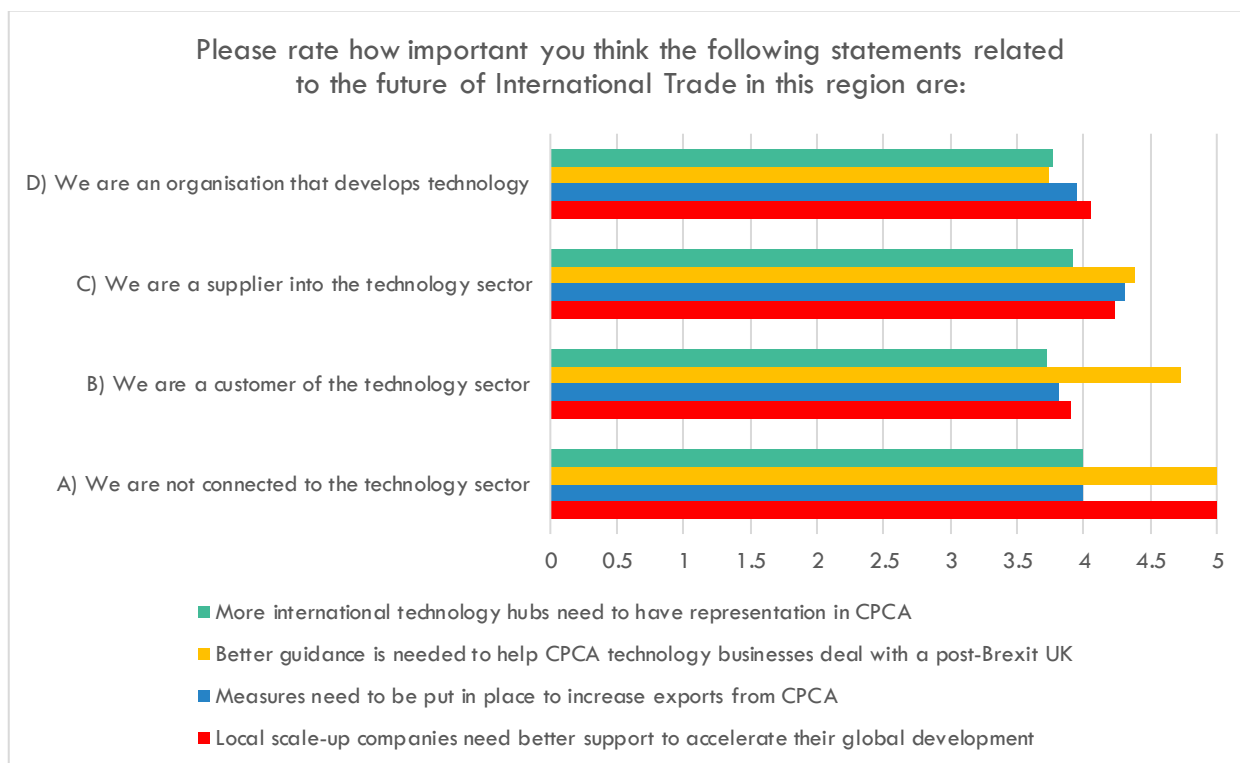
In Huntingdonshire is that

- **New international players need to be incentivised to invest in CPCA and**
 - **The level of investment from current international players needs to increase**
- An issue, this last one also of key relevance for East Cambridgeshire.





Finally, the relevance of international issues according to the position in the supply chain sees again the respondents not connected to the technology sector see **Local scale-up companies need better support to accelerate their global development** and **Measures need to be put in place to increase exports from CPCA** as key priorities concerning the future of International Trade in this region and **incoming foreign business must complement the current ecosystem**, as the key priority concerning FDI

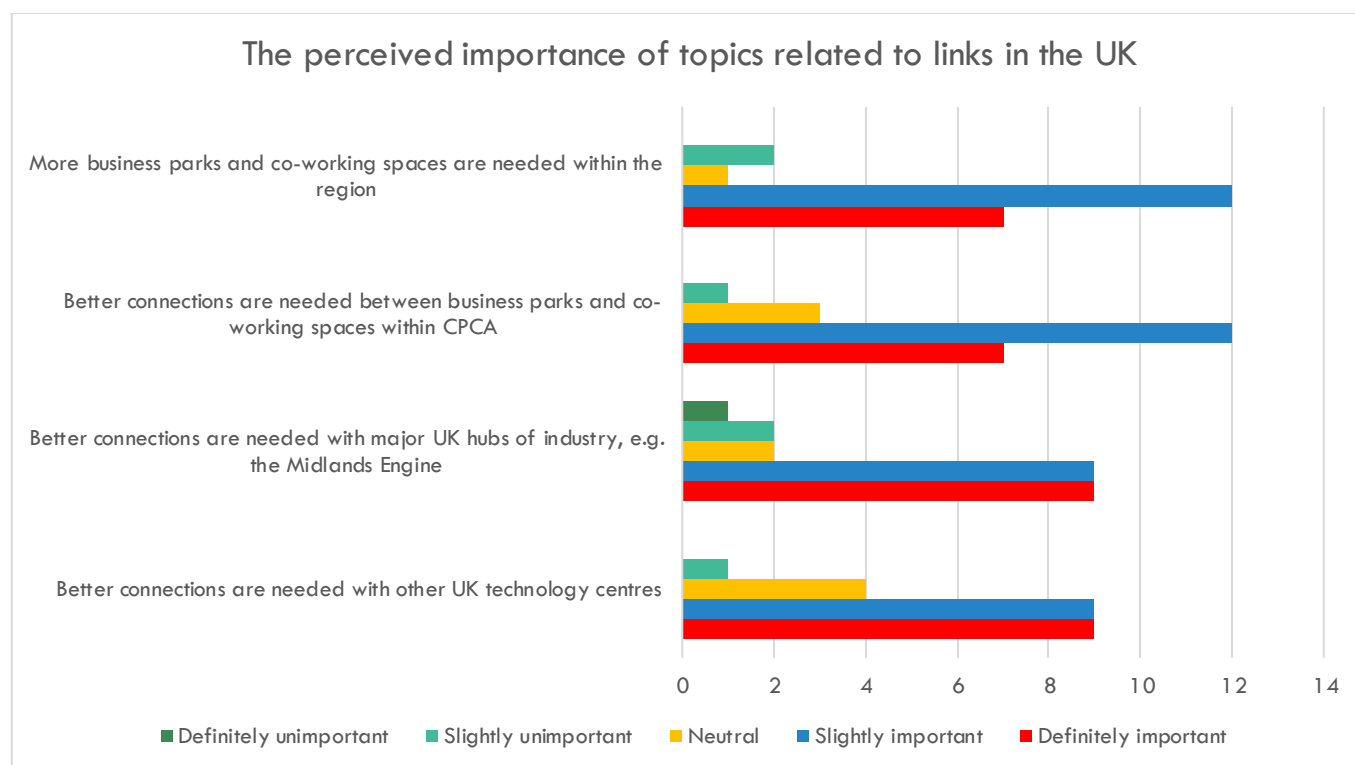


QUANTITATIVE INPUT ON KNOWLEDGE TRANSFER

The analysis concludes with the perceived importance of topics related to links in the UK. At aggregate level, one can see that **Better connections are needed with other UK**

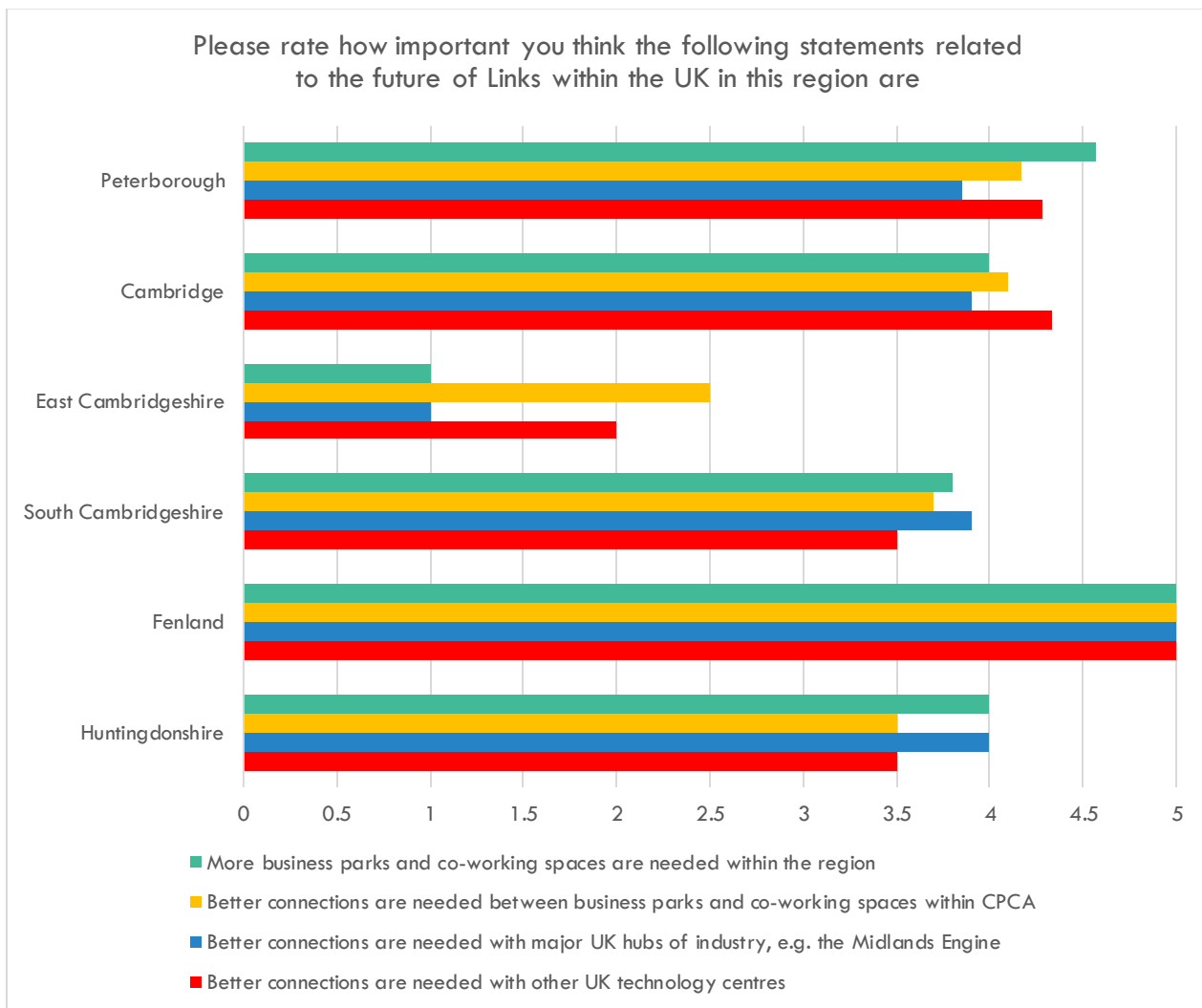
technology centres and **Better connections are needed with major UK Hubs of industry**, are perceived as definitively important by a majority of respondents

one can see that regarding the future of Knowledge Transfer in this region

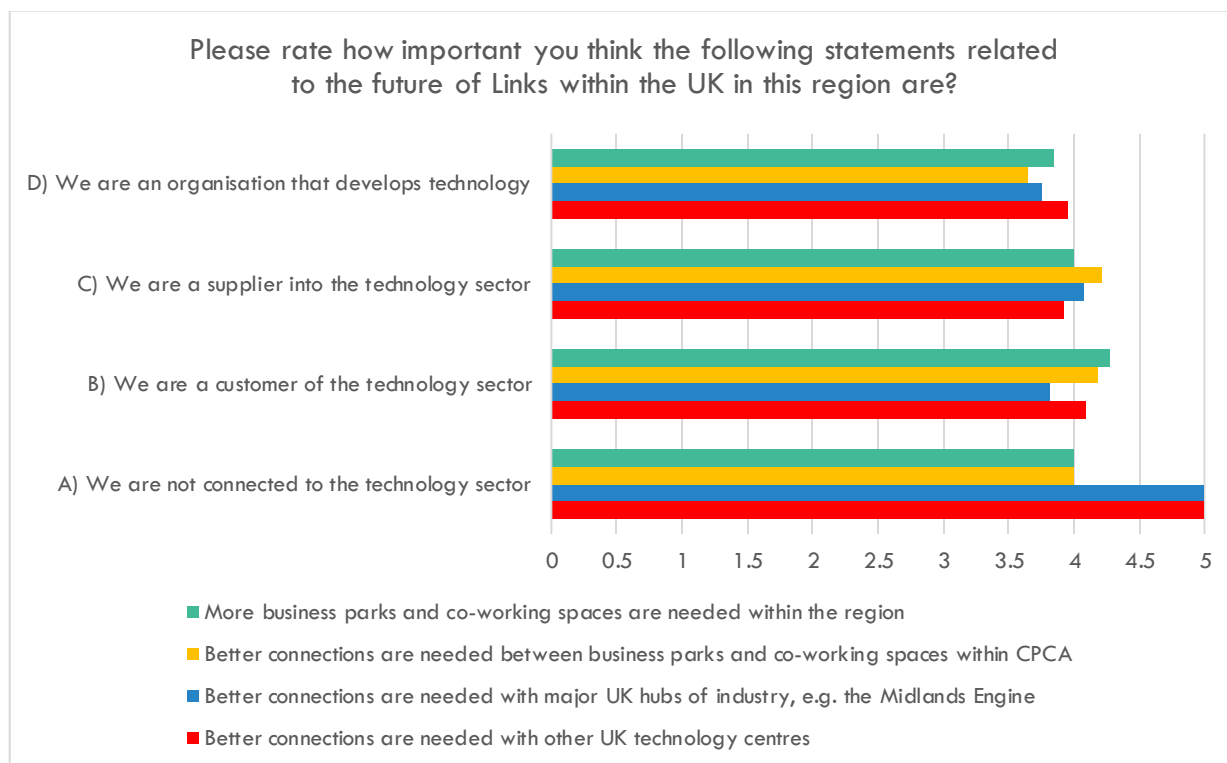


On a disaggregate level by district, the issue of Links within the UK is of particular relevance to the Fenlands, whose respondents selected all four issues as critically relevant, While Peterborough highlighted three areas and Cambridge two. In detail:

- **More business parks and co-working spaces are needed within the region,**
- **Better connections are needed between business parks and co-working spaces within CPCA**
- **Better connections are needed with other UK technology centres,** were all a key issues in the Fenlands in Cambridge and in Peterborough

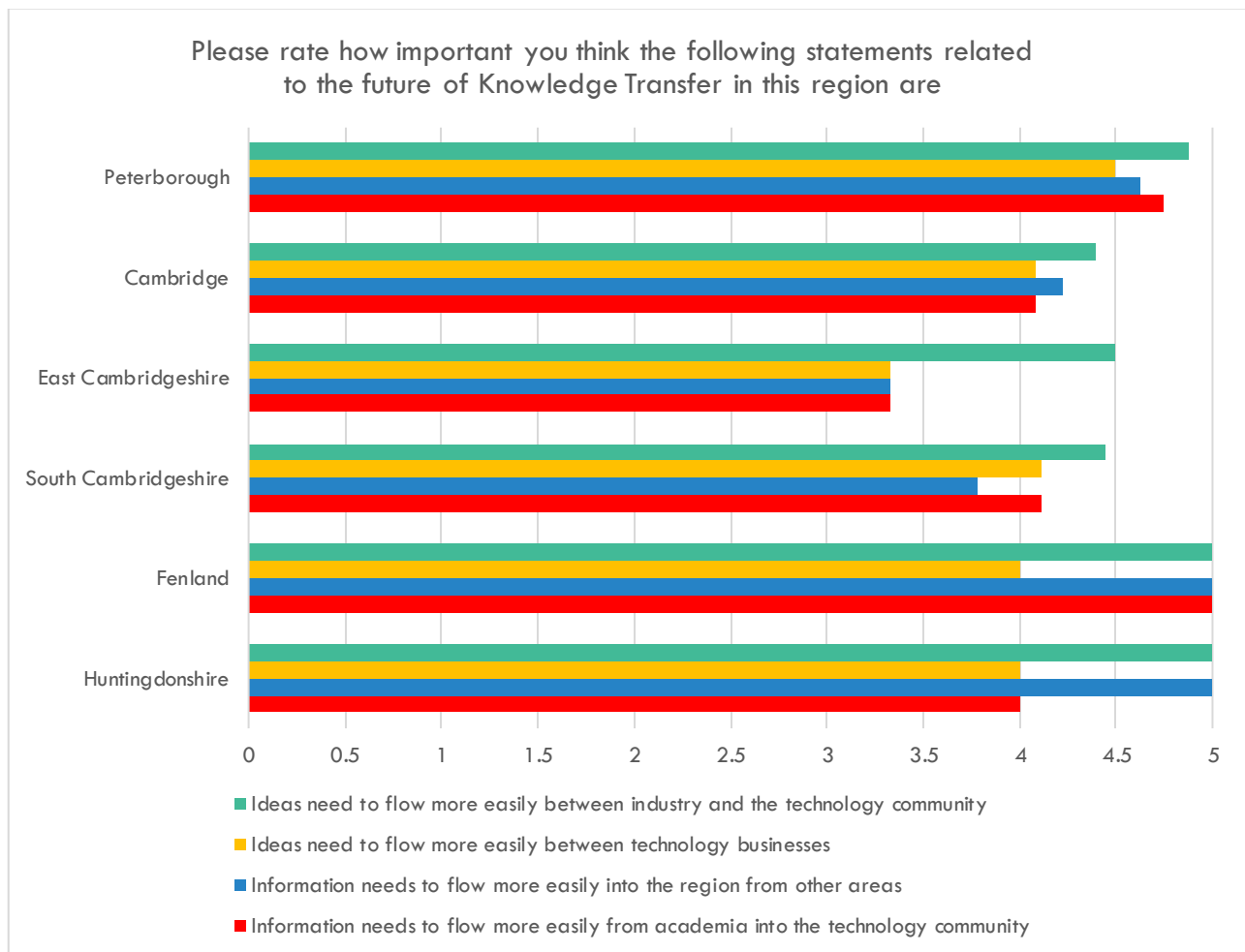


Concerning to the future of Links within the UK in this region, the respondents not connected to the technology sector identified again as top priorities **Better connections are needed with other UK technology centres** and **Better connections are needed with major UK Hubs of industry**,

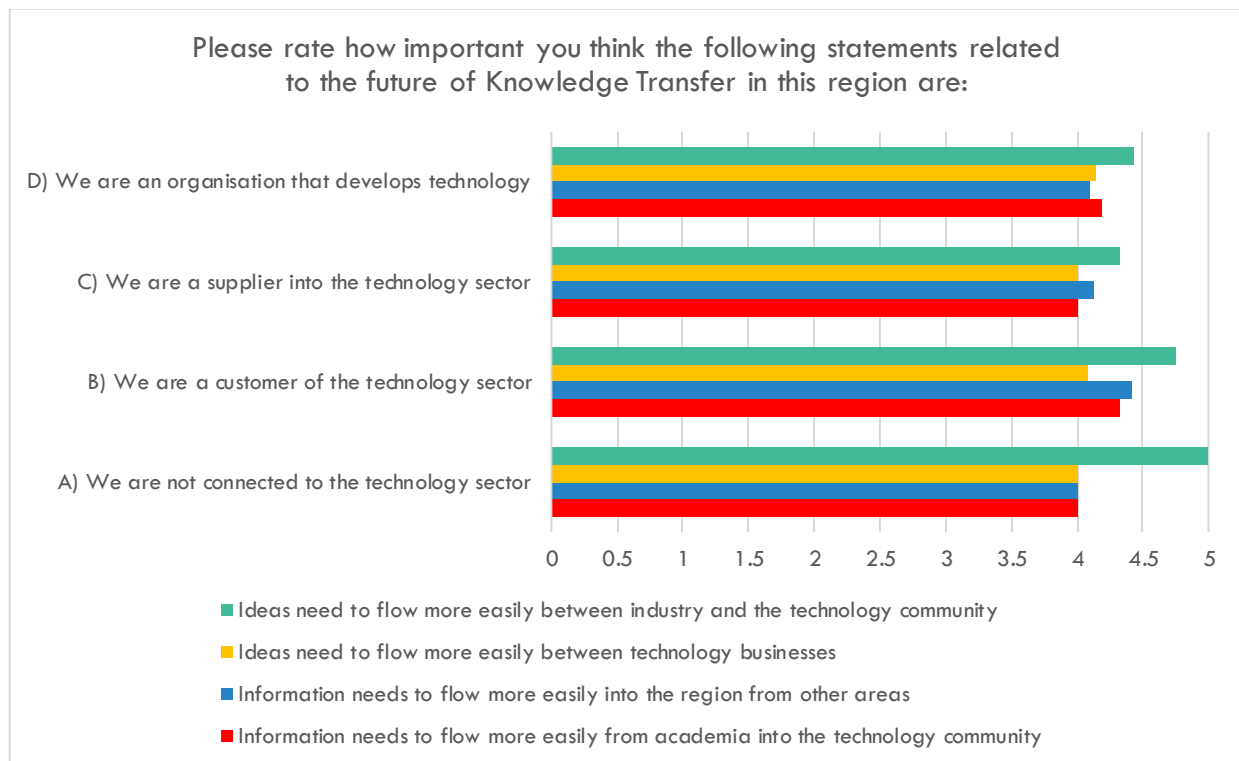


Moving to how important to the future of Knowledge Transfer in this region the following topics are, one can see that the Fenland have three key priorities

- Ideas need to flow more easily between industry and the technology community
- Information needs to flow more easily into the region from other areas, and
- Information needs to flow more easily from academia into the technology community
- Interestingly, two of these priorities are perceived are significantly important also in Huntingdonshire
- Ideas need to flow more easily between industry and the technology community
- Information needs to flow more easily into the region from other areas, and
- while also in Peterborough the perception that Ideas need to flow more easily between industry and the technology community, is highly important



While the role in the value chain identifies as key priority **Information needs to flow more easily from academia into the technology community** for the respondents not connected to the technology sector



---End of Annex 2---

BUSINESS BOARD	AGENDA ITEM NO: 3.1
23 SEPTEMBER 2019	PUBLIC REPORT <i>This report contains an Appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and it would not be 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)).</i>

LOCAL GROWTH FUND PROJECT PROPOSALS – SEPTEMBER 2019

1.0 PURPOSE

- 1.1. The Business Board is responsible for allocating the Growth Fund subject to approval by the CA Board with the objective of creating new jobs and boosting productivity.
- 1.2. The Board are asked in this report to consider and make recommendations against a new application that have been submitted for these funds, based upon the independent external assessment undertaken.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of Business Board
Lead Officer:	John T Hill, Director, Business and Skills
Forward Plan Ref: 2019/049 Key Decision: Yes	
<p>The Business Board is asked to :</p> <p>Recommend that: The Combined Authority Board approve funding for the Local Growth Fund application described in the report to the Business Board dated 23 September 2019 and Appendix 1.</p>	

2.0 BACKGROUND

- 2.1. Growth Deal and Growing Places funding is provided by Government to local areas to invest in projects that will create new jobs, increase productivity, and stimulate economic growth. A total of £146.7m has been provided to this area, with around £51m remaining to allocate.
- 2.2. The Business Board approved the Growth Prospectus in July 2019 as a call for new project proposals against this remaining funding; [Growth Prospectus 2019-21](#) Expressions of interest are being submitted to the Combined Authority in feedback provided to inform full applications. This prospectus made clear that the new opportunity for this round of bids to the Business Board aligned with the Combined Authority Local Industrial Strategy; [Local Industrial Strategy](#)
- 2.3. Following initial internal assessment for suitability of the Expression of Interests received, so far 7 have been invited to submit Full Application Forms. 1 Full Application has been submitted and subsequently appraised by the independent external appraisal team.
- 2.4. One project proposal that has completed the independent external assessment are brought to this Business Board for consideration and, if agreed, recommendation to the Combined Authority Board for approval.
- 2.5. A summary of the project at Full Application case applying for funding is below, further details of the individual projects, including the external appraisal report can be found in Appendix 1.
- 2.6. Application Summary

No.	Proposal Summary	Funding Request	Eol score (136 max)	FAF Score
1	Creation of a new and unique life-science, technology and social enterprise park. The park will offer co-working and biology lab spaces to entrepreneurs. The project is for a refurbishment of a listed property which will lead to the full redevelopment of the site to include facilities for local people, and further life-science and lab spaces.	Grant £292,000 Loan £146,000	119.3	TBC

FINANCIAL IMPLICATIONS

- 2.7. The financial implications (loan, investment, and grant amounts sought) are detailed in the appendices. There are sufficient uncommitted Local Growth Funds to meet the up-front funding requests in this report without impacting other CPCA funding sources. Detailed financial impacts of loan and investment arrangements will be negotiated with approved applicants based on recommendations from the appraisers and the Business Board.

3.0 LEGAL IMPLICATIONS

- 3.1. None.

4.0 SIGNIFICANT IMPLICATIONS

- 4.1. None.

5.0 OTHER SIGNIFICANT IMPLICATIONS

7.1 None.

6.0 APPENDICES – Exempt from publication under paragraph 3 of Schedule 12A Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

- **Appendix 1** – Project Information and external appraisal report

<u>Background Papers</u>	<u>Location</u>
None	Not applicable

BUSINESS BOARD	AGENDA ITEM No: 3.2
23 SEPTEMBER 2019	PUBLIC REPORT

LOCAL GROWTH FUND UPDATE – SEPTEMBER 2019

1.0 PURPOSE

- 1.1. The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive Growth Deals with Government between 2014 and 2017, securing £146.7m to deliver new homes, jobs and skills across the LEP area. This paper provides an update on the programme's performance since April 2015 and a draft summary of the programme monitoring report to Government submitted 23rd August 2019 for the Local Growth Fund (LGF).
- 1.2. To provide the Board with operational updates on the LGF progress to 31 August 2019 based on the following items:
 - (a) Local Growth Fund financial position
 - (b) Growth Deal monitoring return Q1 2019/20
 - (c) Local Growth Fund pipeline update
 - (d) Local Growth Fund Investment Prospectus project call
 - (e) Local Growth Fund evaluation criteria update and proposed ranking of project pipeline
 - (f) New Small Business Capital Growth Grant programme
 - (g) Eastern Agri-Tech Growth Initiative update
 - (h) Existing Small Grant Scheme Update
 - (i) Entrepreneur Assessment Panel (EAP) for project appraisal

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair Business Board
Lead Officer:	John T Hill, Director Business & Skills
Forward Plan Ref: N/A	Key Decision: No
<p>The Business Board is asked to:</p> <ul style="list-style-type: none"> (a) Recommend all the programme updates outlined in this paper to the Combined Authority Board; (b) Agree the amended evaluation criteria for Major Projects as set out in Appendix 3 to this report; and (c) Approve the continuation of the evaluation criteria for the other areas of funding as set out in Appendix 3 to this report (d) Agree the process for ranking projects to manage oversubscribed pipeline to support robust decision making on funding highest quality projects. 	

2.0 BACKGROUND

- 2.1. The Local Growth Funds must be spent by 31 March 2021, but programme outcomes can be delivered beyond 2021.
- 2.2. Local Growth Funds can provide grants, loans or other forms of funding such as equity investment.
- 2.3. In addition to the Local Growth Funding there are recycled funds as a result of the Growing Places Fund providing loan funding to projects which have subsequently repaid. This has established a recyclable pot of funding for projects delivering economic benefit across the region.

3.0 LOCAL GROWTH FUND PROGRAMME POSITION

- 3.1. On 31st August 2019, the Combined Authority's Local Growth Fund programme had nine projects in delivery in 2019/20 their contracted forecast spend total is £100.5 million.
- 3.2. The Kings Dyke A605 road/rail crossing improvements project has been red-flagged because the project lead has confirmed an overspend and time overrun on delivery and will be going back out to tender for a new costs profile. The project currently has £700,000 left to spend of the original £8m

allocation. Actions are being discussed with project lead for an extension request as delivery is expected to continue.

3.3. The Wisbech Access Strategy remains at amber flagged due to concerns the project may extend beyond the 31 March 2021 deadline, this is being reviewed with the Transport Team.

3.4. The accumulative programme expenditure to the 31st August 2019 including completed projects is £88.9 million.

4.0 GROWTH DEAL MONITORING RETURN Q1 2019/20

4.1. The Business Board is required to submit formal monitoring returns to Government regarding Growth Deal performance and forecasts on a quarterly basis. The return for Q1 2019/20 was submitted on the 23rd August 2019.

4.2. Appendix 1 shows the Financial Progress extracted from the programme dashboard submitted to BEIS which reported an accumulative total spend of £80.3 million as at the end of June 2019.

4.3. Projects shown in Amber are delayed in delivery but are planned to complete by the scheme end date. The project shown in Red is subject to further investigation as noted above at 3.2 to determine if it can still proceed to completion.

4.4. The current project risk status is shown below:

Project RAG Ratings		
Project Name	Previous Quarter	This Quarter
	Q4_1819	Q1_1920
Whittlesey Access Phase 1 King's Dyke Crossing	A	R
Ely Southern Bypass	G	G
Bourges Boulevard Phase 1	G	G
Bourges Boulevard Phase 2	G	G
A47/A15 Junction 20	G	G
Wisbech Access Strategy	A	A
TWI (The Welding Institute) Expansion	G	G
Technical and Vocational Centre, Alconbury Weald	G	G
Agri-Tech Growth Initiative	G	G
Cambridge Biomedical Innovation Centre	G	G
Haverhill Innovation Centre	G	G
Peterborough Regional College Food Mfg Centre	G	G
Small Grants Scheme	G	N/A
Highways Academy	G	G
CITB Construction Academy	G	G
EZ Plant Centre Alconbury	G	G
Signpost 2 Grant	G	G
Medtech Accelerator	G	G
Lancaster Way Phase 1 Loan	G	G
Lancaster Way Phase 2 Loan	G	G
Lancaster Way Phase 2 Grant	G	G
Manea and Whittlesea Stations	G	G
M11 J8	G	G
Terraview Loan	N/A	G

5.0 LOCAL GROWTH FUND PIPELINE UPDATE

5.1. The Business Board is asked to note at Appendix 2 the current Officer assessment of the potential LGF pipeline based on the existing EOI's received and projects which have indicated they are going to submit an EOI. The received EOI and live enquiries pipeline value exceeds £80m.

6.0 LOCAL GROWTH FUND INVESTMENT PROSPECTUS PROJECT CALL

6.1. The Investment Prospectus call for projects was launched on 22 July 2019 and, as of 31st August, **ten** Expressions of Interest [EOIs] had been received with a total grant/loan/equity application value of **£21.7m**. Officers also have **fourteen** projects which have expressed interest and are proposing to submit EOI's.

6.2. There are two competing pressures which affect the approach to managing the over-subscribed Round 3; the pressure to maximise value for money (VfM) which is achieved by waiting until all projects have been appraised and then making decisions about which proposals to fund in full knowledge of the merits of all the proposals and, the pressure created due to the time constraints on the Local Growth Funding meaning projects must have drawn down their funding by 31st March 2021 which makes it desirable to approve proposals sooner rather than later.

6.3. Taking the above into account an approach which balances these pressures, as set out below, is recommended:

- (a) For projects bidding for less than £1m, adopt a first come first serviced approach
- (b) For projects bidding for £1m or more the board will receive a suggested ranking of projects based on a combination of the Entrepreneurs Advisory Panel score and the external appraisal and due diligence score. The Board will be asked to discuss the ranking and based on a combination of deliverability, levels of outcomes and outputs, additionality of LGF funding, strategic fit with the LIS and VfM assign it to one of three levels:
 - i. These projects would be recommended to the CA Board for approval immediately.
 - ii. These projects would be deferred to the next Board meeting to be ranked against the next tranche of applications.
 - iii. These projects would be deferred to the January Business Board meeting to be ranked against all remaining projects.

6.4. If this proposal is adopted it will be necessary to publicise how proposals are to be processed in order to ensure transparency per our Local Assurance Framework and that potential applicants will understand the process which will be applied to their proposals.

6.5. It is also recommended that the call for projects is closed at the end of September 2019; at this point if funds are still available once all projects have been through the appraisal process and through ranking at the Business Board meetings in November and January we would re-open the call for limited time for specific projects targeting specific areas the Business Board agree as priority areas.

6.6. The number of projects at Full Application Form appraisal stage is potentially 2.

7.0 LOCAL GROWTH FUND EVALUATION CRITERIA UPDATE

7.1. In November 2018 the Business Board approved the officer led internal appraisal of Expression of Interest for projects applying for LGF, this has continued throughout rounds 1 and 2. Round 3 marks the final phase of LGF and will be the final opportunity the Business Board has to fund areas of work via this funding source.

7.2. Central Government in releasing the final round of funding identified it as a “programme” pot the Combined Authority linked this directly to the Local Industrial Strategy outputs encouraging applications for investment in the following areas:

- Creating new job opportunities through delivery of new employment infrastructure
- Investment into business growth via the full range of funding programmes

7.3. The change in emphasis for funding has resulted in changes being proposed to the criteria applied when evaluating potential applicants by both the internal officers and the external appraisal team. Revised appraisal criteria are being proposed for the following grant area:

- Local Growth Fund – major projects

The proposed amended criteria for these projects are included in Appendix 3 and it is recommended that those amended criteria be adopted.

The criteria being used for the following grant programmes remains unchanged (Appendix 3):

- Eastern Agri-Tech Growth Initiative
- Business Growth Programme
- Small Grants Scheme

7.4. The evaluation criteria for all the funding programmes link directly to the Combined Authority Monitoring and Evaluation Framework. The Business Board are asked to approve the changes to the Major Projects appraisal criteria and the continuation of the criteria for the other areas of grant funding.

8.0 NEW SMALL BUSINESS CAPITAL GROWTH GRANTS PROGRAMME

8.1. The Business Board and Combined Authority Board approved the plans for allocating £3m for a pilot SME capital small grant programme. If successful the pilot could be expanded up to a value of £15m allocated to the new Small Medium Enterprise grant programme

8.2. The parameters of this new small grant scheme are proposed at £10,000 to £250,000 range as a 50% intervention. CPCA Officers have designed the scheme.

8.3. Officers are currently running a procurement to appoint a best value provider to manage / administer the £3m pilot scheme.

9.0 EASTERN AGRI-TECH GROWTH INITIATIVE UPDATE

9.1. Programme supporting SME businesses in the Agri-Tech sector with growth projects or R&D projects. Since the Agri-Tech programme began in late 2013

to August 2019, a total of 99 SMEs supported plus Innovation Hub created. Total of 18 live projects across BB/New Anglia (NALEP) geography, which are on track to complete to their planned schedules.

9.2. NALEP has contributed another £1m to the programme and the legal agreement has been signed off with Suffolk County Council.

9.3. The programme is currently re-procuring its project appraisal/due diligence support service with appointment of a provider imminent and new project applications will be considered at Agri-Tech Programme Board in October and November. The pipeline of interested projects remains very strong for this scheme.

10.0 EXISTING SMALL GRANT SCHEME UPDATE

- 10.1. Following approval at the November Combined Authority Board meeting, a sum of £300,000 was awarded to this Scheme to run until 31st March 2021 however the new Capital Grant scheme will supersede this when it goes live.
- 10.2. Since November **10** applications to this scheme have been approved under delegated authority totalling **£88,874**, generating match funding of **£457,502**; and creating **21 new jobs**.
- 10.3. This existing Small Grant Scheme will be ended and merged into the new SME Capital Small Grant scheme pilot once the contractor is procured to deliver it.

11.0 ENTREPRENEUR ADVISORY PANEL (EAP)

- 11.1. The Business Board agreed the creation of an Entrepreneur Assessment Panel (EAP) as a working group of the Business Board
- 11.2. The EAP will have responsibility to provide a business focused appraised assessment and a recommendation for funding (or not) to the Combined Authority Board via a presentation made by the applicants.
- 11.3. The Panel ensures projects have clearly defined rationale, strategic fit, and clearly defined, measurable outputs. A report based on the Panel evaluation is included in the final recommendation reports presented to the Combined Authority Board, by the Chair of the Business Board for ratification
- 11.4. The membership of the EAP has been recruited as thus:
 - Mayor (Chair)

- Up to 3 other members of the Business Board
- Up to 3 further representatives of the business community
- CPCA officer advisor (non-voting rights)

11.5. Up to three of the Business Board members were asked to join the EAP to help strengthen the project appraisal process and two have volunteered thus far, also wider Business representatives have been recruited onto the panel after an interview process on 13th September 2019.

12.0 SIGNIFICANT IMPLICATIONS

12.1. None

13.0 FINANCIAL IMPLICATIONS

13.1. There are no financial implications beyond those identified in the report.

14.0 LEGAL IMPLICATIONS

14.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government

14.2. The Business Board is responsible for programme direction of the Growth Funds. The Combined Authority, as the Accountable Body, maintains the legal agreements with project delivery bodies.

15.0 IMPLICATIONS FOR NATURE

15.1. None

16.0 OTHER SIGNIFICANT IMPLICATIONS

16.1. None

17.0 APPENDICES

17.1. **Appendix 1** – MHCLG Local Growth Fund Return Q1 2019/20

17.2. **Appendix 2** – Local Growth Fund project pipeline Aug 2019

17.3. **Appendix 3** – LGF Evaluation criteria

<u>Background Papers</u>	<u>Location</u>
i. Local Growth Fund Documents, Investment Prospectus, guidance and application forms	https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/
ii. Eastern Agri-tech Growth initiative guidance and application forms	https://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/
iii. List of funded projects and MHCLG monitoring returns	https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/
iv. Local Industrial Strategy and associated sector strategies	https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/

Growth Deal Performance	Area lead comments
G	

LGF Award	2015-16 £21,100,000	2016-17 £33,625,463	17-18 £23,664,705	18-19 £16,705,458	19-20 £15,875,346	20-21 £35,737,637	Total £146,708,609
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LGF Outturn	This Quarter		15-17	Financial Year				Total
				17-18	18-19	19-20	20-21	
Actual	£ 1,239,667		£ 27,983,285	£ 37,765,397	£ 13,323,677	£ 1,239,667	£ -	£ 80,312,026
Forecast for year	£ 10,061,827		£ 27,983,285	£ 37,144,873	£ 15,458,426	£ 10,061,827	£ 8,753,469	£ 99,401,880
Progress towards forecast	12%			102%	86%	12%	0%	81%

LGF Expenditure								
Actual	£ 319,047		£ 38,355,545	£ 33,196,155	£ 7,634,855	£ 319,047	£ -	£ 79,505,602
Forecast for year	£ 10,975,369		£ 35,239,639	£ 5,012,923	£ 10,422,851	£ 10,975,369	£ 8,096,828	£ 69,747,610
Progress towards forecast	3%			662%	73%	3%	0%	114%

Non-LGF Expenditure								
Actual	£ 53,550,369		£ 10,359,819	£ 12,584,247	£ 4,613,785	£ 53,550,369	£ -	£ 81,108,220
Forecast for year	£ 14,200,417		£ 10,359,819	£ 496,000	£ 19,751,184	£ 14,200,417	£ 2,156,646	£ 46,964,066
Progress towards forecast	377%			2537%	23%	377%	0%	173%

Total LGF + non-LGF Expenditure								
Actual	£ 53,869,416		£ 48,715,364	£ 45,780,402	£ 12,248,640	£ 53,869,416	£ -	£ 160,613,822
Forecast for year	£ 25,175,786		£ 45,599,458	£ 5,508,923	£ 25,175,786	£ 25,175,786	£ 10,253,474	£ 111,713,427
Progress towards forecast	214%			+831%	+49%	+214%	+0%	144%

Contractual Commitments (manual entry)

			15-17	17-18	18-19	19-20	20-21	Total
Forecast			£ 24,283,295	£ 35,192,590	£ 15,905,430	£ 10,975,369	£ 8,096,828	£ 94,453,512
Actual			£ 24,283,295	£ 35,192,590	£ 7,634,855	£ 319,047	£ -	£ 67,429,787
Variance			+0%	+0%	-52%	-97%	-100%	-29%

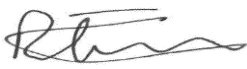
Commentary

Q1 19/20 Return One new project has received funding, Teraview, included in this return for the first time. Kings Dyke has been reduced to Red RAG status due to delays and project overspend placing this project at high risk. Alternatives are being investigated. Wisbech Access Strategy remains Amber whilst alternatives are investigated. The next LGF call will be launched in July 2019 with a new prospectus to align with the Local Industrial Strategy being published at the same time.

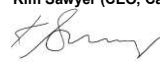
Kings Dyke - contract amendments are being undertaken to extend the current Agreement

Wisbech Access Strategy - investigating alternative delivery options

Section 151 Officer Approved

Name	Robert Emery (S151 Officer for the Business Board)
Signature	
Date	04/09/2019

Accountable Body Head of Paid Services Approval

Name	Kim Sawyer (CEO, Cambridgeshire and Peterborough Combined Authority)
Signature	
Date	23/08/2019

Local Growth Fund – 3rd Call Off Application Pipeline

Project	Contact Date	District	EoI Submitted	EoI Approved	Full Application Submitted	Full Application Approved	Value of Funding	Jobs Created - Direct & Indirect	Floorspace built/refurbished	Apprenticeships /New Learners	Road/Cycle way built
Transport technology incubator/accelerator	03/07/2019	South Cambs	29/07/2019	14/08/2019			£965,000	202	245.8	12	
Healthcare & life science start-up accelerator	22/07/2019	Cambridge	07/08/2019	14/08/2019			£3,955,025	2400			
Redevelopment of property to enable bio-tech start-up/incubator	03/07/2019	South Cambs	30/07/2019	14/08/2019	10/09/2019		£438,000	110	350		
Build of new office premises to include incubator and teaching	01/08/2019	Peterborough	02/08/2019	30/08/2019			£3,000,000	570	5100	20	
agri-tech start-up/incubator development	07/08/2019	Histon	22/07/2019	06/09/2019			£2,300,000	1707	325		
Purchase of office space for business relocation	30/07/2019	South Cambs	14/08/2019				£5,563,438		3591		
Extension of current agri-tech space	26/08/2019	Soham	28/08/2019	06/09/2019			£595,000	1090	190	15	
Development of sole use bus route	02/09/2019	Cambridgeshire	14/05/2014				£4,400,000				
Development of engineering start-up/incubator	20/08/2019	Huntingdon	22/08/2019	30/08/2019			£500,000	49	1944		
Development of business park	08/08/2019	Oakham	09/09/2019				£3,200,000	TBC			
Logistics/transport innovator	30/07/2019	Huntingdon									
Modular Building facility	30/09/2019	Wisbech									
AI/Gaming incubator/start-up	02/09/2019	Cambridge									
Digital tech expansion	09/08/2019	Huntingdon									
Business Park Development	07/08/2019	Fenland									
Access to Land	07/08/2019	Wisbech									
Building Refurbishment	07/08/2019	Wisbech									
Business Park Development	07/08/2019	South Kesteven									
Mixed Use Business Park	28/08/2019	St Ives									
Manufacturing Association	30/08/2019	Peterborough									
Manufacturing/Digital business	29/08/2019	Cambridge									
Business Relocation	18/07/2019	Chatteris									
Peterborough University	12/08/2019	Peterborough									
Mayors Grant Scheme	09/08/2019	Region wide									
Total Value of Funding Requested to Date							£21,716,463				

Evaluation Criteria**Local Growth Fund - Expression of Interest Evaluation Criteria (under £3m)****75% pass mark applied**

Rationale	Does the application evidence strong rationale and offer aspects of resolving market failure?
Timescales	Does the implementation timetable fall within the Growth Deal funding timetable?
Activities/Milestones	How well defined are the principal milestones and associated activities.
Delivery Arrangements	How developed is the project? – e.g. planning approved, ready to start, on site, underway. Does the project fit within the current finance arrangements
Outputs/Outcomes	Are outputs/outcomes specified?
Strategic Fit	Does the application demonstrate good fit with the Growth Prospectus, LIS, CPIER and Skills Strategy, and priority sectors?
State Aid	Is the project State Aid compliant? Has information been submitted on why state aid does not apply?
Costs	Are costs realistic against LGF budget and Is there a cost breakdown?
Resourcing	What is the call on LGF funding and is this realistic? What is the leverage and/or match?
VFM	Consider outputs/outcomes in relation to level of LEP investment. Does the project offer sound Value for Money based on the expected return between £5K and £10k funding per new job?
Funding	Is the project requesting Loan or Grant funding?
Risks	Is there a realistic assessment of risks?

Local Growth Fund – Full Application (under £3m)

60% pass mark applied

Rationale	Does the application evidence strong rationale and/or market failure?
Strategic Fit	Does the application demonstrate good fit with the Growth Prospectus, CPIER and Skills Strategy, and priority sectors?
Activities	How well defined are the principal activities and what more development work is needed? Does the project demonstrate how it will actually achieve the changes identified?
Delivery Arrangements	How developed is the project? – e.g. planning approved, ready to start, on site, underway. Have any land ownership, planning and other approvals been secured? What is your track record of delivery? Are there any policy or communications issues that could impact in delivery of this project? <i>Deliverability to match call arrangements</i>
Governance Arrangements	Is there a strong governance structure/partnership in place or planned?
Resourcing	What is the call on LEP funding and is this realistic? What is the leverage and/or match?
Costs	Are costs realistic and is the project financially viable? Is there a cost breakdown? Are costs primarily capital or revenue? Breakdown of Cap/Rev available? State rationale on cap/rev? Do costs include VAT? Suitable for loan, investment or grant?
Outputs/Outcomes	Are outputs/outcomes realistic? Profiled by year?
Timescales and Milestones	What is the planned implementation timetable and what are the key milestones? Include post completion milestones to allow for the delivery of outputs.
VfM	Consider outputs/outcomes in relation to level of LEP investment. Does the project offer sound Value for Money based on the expected return of £5K funding per new job?
State Aid	Is the project State Aid compliant? Has information been submitted on why state aid does not apply?
Funding	Is the project requesting Loan or Grant funding?
Risks	Is there a realistic assessment of risks?
Procurement	Procurement information submitted? Dates and process included?

Evaluation	How do you plan to evaluate the project when it is completed?
Commercial	Market Trends and Dynamics? (see notes on Company due diligence when completing this section)
Financial	Company Financial History (see notes on Company due diligence when completing this section)
Reputational	Reputation and media standing of the company? (see notes on Company due diligence when completing this section)

Local Growth Fund - Expression of Interest Evaluation Criteria (over £3m)

75% pass mark applied

Rationale	Does the application evidence strong market failure?
Timescales	What is the planned implementation timetable and can spend be achieved by March 2021?
Activities/Milestones	How well defined are the principal activities and what more development work is recommended for the full application?
Delivery Arrangements	How developed is the project plan and does it have the following attributes? e.g. route to and level of risk in securing land, planning and remaining funding if build or transport project e.g. route to and level of risk in securing remaining funding and competent/experienced delivery resources if a service
Outputs/Outcomes	Because the value of LGF being requested can be considered a Strategic Investment, it is important that the application demonstrates outcomes that make a strategic-level impact
Strategic Fit	Because the value of LGF being requested can be considered a Strategic Investment, it is important that the application demonstrates good fit with the CPIER, Skills Strategy, or LIS
State Aid	Is the project State Aid compliant? Has information been submitted on why state aid does not apply?
Costs	Are costs set out, at least as an initial budget estimate?
Resourcing	Because the value of LGF being requested is higher than other projects, it is important that there is good leverage and/or match
VFM	Because the value of LGF being requested will significantly deplete the investment resources of the business board, it is important that the application demonstrates a competitive cost per outcomes and potential returns back to the LGF pot for recycling into new projects <i>For Major Projects outcomes delivery can be over extended periods of time, but measured up to a max period of 25 years</i>
Funding	Because the value of LGF being requested will significantly deplete the investment resources of the business board, it is important that the type of request offers the potential for returns to the LGF pot for recycling into new projects. Is the project requesting loan, equity or grant funding?
Risks	Is there a realistic assessment of risks?

Local Growth Fund – Full Application (over £3m)

60% pass mark applied

Rationale	Does the application evidence strong market failure?
Strategic Fit	Because the value of LGF being requested can be considered a Strategic Investment, it is important that the application demonstrates good fit with the CPIER, Skills Strategy, or LIS
Activities	How well defined are the principal activities and do they deliver the outcomes?
Delivery Arrangements	How developed is the project plan and does it have the following attributes? e.g. route to and level of risk in securing land, planning and remaining funding if build or transport project e.g. route to and level of risk in securing remaining funding and competent/experienced delivery resources if a service
Governance Arrangements	Is there a strong governance structure/partnership in place or planned?
Resourcing	Because the value of LGF being requested is higher than other projects, it is important that there is good leverage and/or match
Costs	Are costs realistic and is the project financially viable?
Outputs/Outcomes	Because the value of LGF being requested can be considered a Strategic Investment, it is important that the application demonstrates outcomes that make a strategic-level impact
Timescales and Milestones	What is the planned implementation timetable and can spend be achieved by March 2021?
VfM	Because the value of LGF being requested will significantly deplete the investment resources of the business board, it is important that the application demonstrates a competitive cost per outcomes and potential returns back to the LGF pot for recycling into new projects <i>For Major Projects outcomes delivery can be over extended periods of time, but measured up to a max period of 25 years</i>
State Aid	Is the project State Aid compliant? Has information been submitted on why state aid does not apply?
Funding	Because the value of LGF being requested will significantly deplete the investment resources of the business board, it is important that the type of request offers the potential for returns to the LGF pot for recycling into new projects. Is the project requesting loan, equity or grant funding?
Risks	Is there a realistic assessment of risks?

Procurement	Procurement information submitted? Dates and process included?
Evaluation	What is the plan to evaluate the project when it is completed?
Commercial	Market Trends and Dynamics? (see notes on due diligence when completing this section for a private sector company, in the event the applicant is one or more local authorities score 4 based on related risks being low)
Financial	Company Financial History (see notes on due diligence when completing this section for a private sector company, in the event the applicant is one or more local authorities score 4 on the basis of related risks being low)
Reputational	Reputation and media standing of the company? (see notes on due diligence when completing this section for a private sector company, in the event the applicant is one or more local authorities score 4 based on related risks being low)

Small Grants Fund – Application Evaluation Criteria

Pass mark 60%

Rationale	Does the application evidence strong rationale and offer aspects of resolving market failure?
Timescales	Does the implementation timetable fall within the Growth Deal funding timetable?
Activities/Milestones	How well defined are the principal milestones and associated activities.
Delivery Arrangements	How developed is the project? – e.g. planning approved, ready to start, on site, underway. Does the project fit within the current finance arrangements
Outputs/Outcomes	Are outputs/outcomes specified?
Strategic Fit	Does the application demonstrate good fit with the Growth Prospectus, LIS, CPIER and Skills Strategy, and priority sectors?
State Aid	Is the project State Aid compliant? Has information been submitted on why state aid does not apply?
Costs	Are costs realistic against LGF budget and Is there a cost breakdown?
Resourcing	What is the call on LGF funding and is this realistic? What is the leverage and/or match?
VFM	Consider outputs/outcomes in relation to level of LEP investment. Does the project offer sound Value for Money based on the expected return between £5K and £10k funding per new job?
Funding	Is the project requesting Loan or Grant funding?
Risks	Is there a realistic assessment of risks?
VfM Jobs	Consider outputs/outcomes in relation to level of LEP investment. Does the project offer sound Value for Money based on the expected return of £5K funding per new job?
VfM productivity	Consider outputs/outcomes in relation to level of LEP investment. Does the project offer sound Value for Money based on the expected average return of growth in GVA (£75K per business supported)?
VfM Exports	Consider outputs/outcomes in relation to level of LEP investment. Does the project offer sound Value for Money based on the expected return of a 5% increase in Exports?

Agri-Tech Fund - Application Evaluation Criteria – Growth Projects

Pass mark (TBC)

NAME OF APPLICANT:
BOARD MEMBER NAME:

STRATEGIC FIT Assessment Guidance for Board Members: a) Application delivers improvements in productivity through the use or application of new products or technology or processes or new equipment. b) Application is investment ready and backed by a sound business plan.	Comments:
JOBS Assessment Guidance for Board Members: a) Will the project deliver direct new jobs; how many and what type/NVQ Level and/or: b) Will the project protect jobs; how many and what type/NVQ Level c) Are there any new skills or upskilling opportunities; what are these d) Will the project benefit the sector through enhanced employment prospects in the supply chain; locally or nationally or both and how e) Will the project displace jobs? If so, how many, where and what type	Comments:

Agri-Tech Fund - Application Evaluation Criteria – R & D Projects

Pass mark (TBC)

NAME OF APPLICANT:
BOARD MEMBER NAME:

STRATEGIC FIT Assessment Guidance for Board Members: a. How innovative/novel is the proposed research/development project; does the proposal demonstrate how it will be of direct benefit to the sector and the business. Is there clear evidence of how the innovation or research will be scaled up and brought to market; is there an explanation about route to market. b. Is proposal investment ready and backed by a sound business plan.	Comments:
PROJECT FINANCES/VFM & FUNDING LEVERAGE Assessment Guidance for Board Members: a. Are project finances thoroughly costed, appear reasonable and are backed by credible income and investment sources. Project offers good value for money b. Is there clear explanation of how applicant will fund its share of total project costs; c. What is the expected Return on Investment for the business; what is the commercial potential of the project; does the applicant already invest in other R&D projects and what is the track record	Comments:
MANAGEMENT ARRANGEMENTS Assessment Guidance for Board Members: a. Is there a clear explanation of how project will be managed and delivered; what are the strengths/experience b. Have risks been identified and adequately considered; are there mitigation measures in place	
INTELLECTUAL PROPERTY Assessment Guidance for Board Members:	

<ul style="list-style-type: none"> a. Can the outcomes be protected; what arrangements are in place; does applicant have freedom to operate; has applicant appointed Patent Agent and have any searches been undertaken b. What are the barriers to entry by competitors; will the applicant be able to protect its competitive advantage long enough before other entrants come to the market 	
ADDITIONALITY Assessment Guidance for Board Members: <ul style="list-style-type: none"> a. What are the economic benefits to both applicant and sector; have these been explained b. Are there any environmental benefits? 	
CONCLUSION Should the application be approved and why? Should the application be rejected and why?	

Growth Service - Grant Application Evaluation

Pass mark: (TBC)

Criteria	Definitions
Rationale	Does the application evidence strong rationale and/or market failure?
Strategic Fit	Does the application demonstrate good fit with the Growth Prospectus, CPIER and Skills Strategy, and priority sectors?
Activities	How well defined are the principal activities and what more development work is needed? Does the project demonstrate how it will actually achieve the changes identified?
Delivery Arrangements	How developed is the project? – e.g. planning approved, ready to start, on site, underway. Have any land ownership, planning and other approvals been secured? What is your track record of delivery? Are there any policy or communications issues that could impact in delivery of this project? <i>Deliverability to match call arrangements</i>
Governance Arrangements	Is there a strong governance structure/partnership in place or planned?
Resourcing	What is the call on LEP funding and is this realistic? What is the leverage and/or match?
Costs	Are costs realistic and is the project financially viable? Is there a cost breakdown? Are costs primarily capital or revenue? Breakdown of Cap/Rev available? State rationale on cap/rev? Do costs include VAT? Suitable for loan, investment or grant?
Outputs/Outcomes	Are outputs/outcomes realistic? Profiled by year?
Timescales and Milestones	What is the planned implementation timetable and what are the key milestones? Include post completion milestones to allow for the delivery of outputs.
VfM	Consider outputs/outcomes in relation to level of LEP investment. Does the project offer sound Value for Money based on the expected return of £5K funding per new job?
State Aid	Is the project State Aid compliant? Has information been submitted on why state aid does not apply?
Funding - Growth Service Only	Is the project requesting Grant funding?
Risks	Is there a realistic assessment of risks?
Procurement	Procurement information submitted? Dates and process included?
Evaluation	How do you plan to evaluate the project when it is completed?
Commercial	Market Trends and Dynamics? (see notes on Company due diligence when completing this section)
Financial	Company Financial History (see notes on Company due diligence when completing this section)
Reputational	Reputation and media standing of the company? (see notes on Company due diligence when completing this section)

BUSINESS BOARD	AGENDA ITEM NO: 4.1
23 SEPTEMBER 2019	PUBLIC REPORT

STRATEGIC PARTNERSHIP AGREEMENTS

1.0 PURPOSE

- 1.1. Prompted by Government's Strengthened Local Enterprise Partnerships Review, which called for local areas to reach solutions to remove the overlap between LEPs, the CA Board proposed in September 2018, that the Business Board become coterminous with the CPCA geography.
- 1.2. Government's formal approval of new geographies across the country is awaited, but it is anticipated that the proposals from the Business Board will be approved. We have worked on that basis for key documents such as the Local Industrial Strategy (LIS), which have been agreed by Government.
- 1.3. Government's formal approval of new geographies across the country is awaited, but LEP overlaps are being removed to align strategically with key documents like the Local Industrial Strategy.
- 1.4. This paper brings forward proposals to enter into formal agreements with neighbouring Local Authorities that will no longer be part of the Business Board and the LEPs to which they will be transferred.
- 1.5. The Business board are recommended to note the five Strategic Partnership Agreements (SPAs) which have been agreed at officer level and highlighted in **Bold** below, and are attached as Appendix 1, and recommend them to the CA Board.

Local Authority	LEP
Rutland County Council	Greater Lincolnshire LEP
Lincolnshire County Council	
South Kesteven Council	
South Holland Council	
West Suffolk Council	New Anglia LEP
King's Lynn and West Norfolk Council	
Uttlesford District Council	South East LEP
North Hertfordshire District Council	Hertfordshire LEP

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of the Business Board
Lead Officer:	John T Hill, Director, Business and Skills
Forward Plan Ref: -	Key Decision: No
<p>The Business Board is asked to:</p> <ul style="list-style-type: none"> a) Note the first five Strategic Partnership Agreements with neighbouring Local Authorities to remove LEP overlaps. b) Recommend that: The Combined Authority Board approve the first five Strategic Partnership Agreements for Rutland County Council, West Suffolk Council, Kings Lynn & West Norfolk Council, New Anglia LEP, and South East LEP. c) Note that Lincolnshire County Council is included for a Strategic Partnership Agreement. d) Note that the remaining 7 Strategic Partnership Agreements are anticipated to be finalised and submitted for approval in January 2020. e) Recommend that: The Combined Authority Board approve the CPCA develop a LEP Partnering Strategy (to cover other contiguous and strategically important LEPs) once the remaining Strategic Partnership Agreements have been completed. 	

2.0 THE STRATEGIC PARTNERSHIP AGREEMENTS

2.1. The Strategic Partnership Agreements contain the following key elements:

- (a) Agreement to work together toward strategic planning wherever appropriate and opportune;
- (b) Coordinating joint opportunities to deliver major projects of mutual benefit and interest;
- (c) Sharing information, data, and evidence wherever mutually useful;
- (d) Referencing any specific projects which should be captured in the agreement, such as working with West Suffolk Council to deliver part of the CAM Metro; and
- (e) Continuing funding arrangements and providing clarity that the Local Growth Funding provided to the Business Board to date (for the previous GCGP

LEP geography) will continue to be available until such point it is fully allocated, and/or it reaches the end of its timescale of March 2021. This includes schemes which are funding through LGF – most notably the Eastern Agri-tech Growth Initiative.

3.0 FINANCIAL IMPLICATIONS

- 3.1. While there are no direct financial implications, the Ministry of Housing, Communities and Local Government (MHCLG) have warned that Local Authorities may face financial consequences if they have not removed overlapping geographies by April 2020.

4.0 LEGAL IMPLICATIONS

- 4.1. There are no significant legal implications.

5.0 OTHER IMPLICATIONS

- 6.1 Each agreed Strategic Partnership Agreement represents an opportunity for the Combined Authority and Mayor to promote how strategic agreements have resolved the areas economic boundary overlaps with neighbouring Local Authorities and LEPs.

6.0 APPENDICES

- 6.1. Appendix 1 – Strategic Partnership Agreements for:
- Rutland County Council
 - West Suffolk Council
 - Kings Lynn & West Norfolk Council
 - New Anglia LEP
 - South East LEP

<u>Background Papers</u>	<u>Location</u>
Government's Strengthened Local Enterprise Partnerships Review	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728058/Strengthened_Local_Enterprise_Partnerships.pdf

STRATEGIC PARTNERSHIP AGREEMENT

between

SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP (SELEP)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

1 Background to the Agreement

- 1.1 Since their establishment in 2010, Local Enterprise Partnerships have been integral to economic growth across England. Following the publication of our modern Industrial Strategy, that sets out an approach to ensuring prosperous communities throughout the country, The Ministry of Housing, Communities & Local Government have reviewed policy towards Local Enterprise Partnerships to ensure that they continue to support Government in meeting this ambition. In the Industrial Strategy, Government committed to work with Local Enterprise Partnerships to bring forward reforms to, amongst other things, the geographical boundaries between LEPs.
- 1.2 As a result, the overlaps between LEPs have been removed, with the geography of the former Greater Cambridge and Greater Peterborough LEP becoming co-terminus with that of the Cambridgeshire & Peterborough Combined Authority, removing the previous overlap of Uttlesford.
- 1.3 However, the CPCA and SELEP recognise the strong linkages between their two areas and the need to continue and enhance strategic joint working into the future, irrespective of the future configuration of the Local Enterprise Partnerships.

2 Overall Commitment

- 2.1 Both parties share a commitment to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future. Partnership is essential to delivery and the public sector, in particular needs, to work more closely to leverage all its resources.
- 2.2 Together, we are committed to coordinate our resources and build a consensus that gives our communities, businesses and central government the confidence that when they make decisions to live, grow and invest in our region they do so knowing there's not a better area in the country to do it.
- 2.3 In this regard, we are aligned to the objective of working together to bring about inclusive growth across our region to support growth and create healthy and prosperous communities and places. In particular, we will collaborate on future strategic planning beyond the previous overlap area and around;
 - 2.3.1 Joint opportunities to enable growth in infrastructure or skills development;
 - 2.3.2 Joint investment that contribute to inclusive growth;
 - 2.3.3 Joint projects of mutual benefit that improve the lives of residents and workers;
 - 2.3.4 Partnership working, across the region, to increase housing supply and improve housing choice and quality;
 - 2.3.5 Aligning and coordinating the Local Growth Fund on projects of mutual benefit;
 - 2.3.6 Share information, data and evidence that informs the development of the region.

3 In practice, this will mean:

- 3.1 Proposals or decisions agreed between the organisations will continue to be taken in line with their own decision-making processes.
- 3.2 **Meetings;** Representatives of the two organisations shall:
 - 3.2.1 Meet every six months to review joint working, identify opportunities for collective working, and agree future priorities.
- 3.3 **Funding:** Both organisations will work together to:
 - 3.3.1 Identify potential opportunities for HMG investment into the region, supporting the development of business cases and identification of funding streams.
 - 3.3.2 Where appropriate to do so, and subject to respective decision-making processes, provide investment funds to support mutually beneficial proposals;
- 3.4 **Under our normal duty to cooperate** we will consult one another during the development of strategic documents and in coordinating services:
- 3.5 Both parties commit to regularly reviewing the partnership relationship and its focus, including data driven analysis of what is being achieved achieving. This review process will be carried out through the six-monthly meetings, as well as through ongoing dialogue.

STRATEGIC PARTNERSHIP AGREEMENT

between

SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP (SELEP)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

Signed on behalf of Cambridgeshire & Peterborough Combined Authority:

.....

Name:

Position:

Date:

Signed on behalf of South East LEP:

.....

Name:

Position:

Date:

STRATEGIC PARTNERSHIP AGREEMENT

between

NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP (NALEP)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

1 Background to the Agreement

- 1.1 Since their establishment in 2010, Local Enterprise Partnerships have been integral to economic growth across England. Following the publication of our modern Industrial Strategy, that sets out an approach to ensuring prosperous communities throughout the country, The Ministry of Housing, Communities & Local Government have reviewed policy towards Local Enterprise Partnerships to ensure that they continue to support Government in meeting this ambition. In the Industrial Strategy, Government committed to work with Local Enterprise Partnerships to bring forward reforms to, amongst other things, the geographical boundaries between LEPs.
- 1.2 As a result, the overlaps between LEPs have been removed, with the geography of the former Greater Cambridge and Greater Peterborough LEP becoming co-terminus with that of the Cambridgeshire & Peterborough Combined Authority, removing the previous overlap of West Norfolk and Suffolk.
- 1.3 However, the CPCA and NALEP recognise the strong linkages between their two areas and the need to continue and enhance strategic joint working into the future, irrespective of the future configuration of the Local Enterprise Partnerships.

2 Overall Commitment

- 2.1 Both parties share a commitment to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future. Partnership is essential to delivery and the public sector, in particular needs, to work more closely to leverage all its resources.
- 2.2 Together, we are committed to coordinate our resources and build a consensus that gives our communities, businesses and central government the confidence that when they make decisions to live, grow and invest in our region they do so knowing there's not a better area in the country to do it.
- 2.3 In this regard, we are aligned to the objective of working together to bring about inclusive growth across our region to support growth and create healthy and prosperous communities and places. In particular, we will collaborate on future strategic planning beyond the previous overlap area and around;
 - 2.3.1 Joint opportunities to enable growth in infrastructure or skills development;
 - 2.3.2 Joint investment that contribute to inclusive growth;
 - 2.3.3 Joint projects of mutual benefit that improve the lives of residents and workers;
 - 2.3.4 Partnership working, across the region, to increase housing supply and improve housing choice and quality;
 - 2.3.5 Aligning and coordinating the Local Growth Fund on projects of mutual benefit;
 - 2.3.6 Share information, data and evidence that informs the development of the region.

3 In practice, this will mean:

- 3.1 Proposals or decisions agreed between the organisations will continue to be taken by the CPCA and NALEP Boards, in line with their own decision-making processes.
- 3.2 **Meetings;** Representatives of the two organisations shall meet every six months to review joint working, identify opportunities for collective working, and agree future priorities.
- 3.3 **Funding:** Both organisations will, subject to each other's decision-making processes, and priorities, work together to:
 - 3.3.1 Identify potential opportunities for HMG investment into the region, supporting the development of business cases and identification of funding streams; including approaches to HMG around Agri-Tech, Life Sciences and the Cambridge-Norwich Tech Corridor.
 - 3.3.2 Provide investment funds to support mutually beneficial proposals, such as the coordinated use of our respective Local Growth Funds, such as on Enterprise Zones in Kings Lynn and Haverhill or support for the Eastern Institute of Technology's "hub and spoke" model of delivery in both CPCA and NALEP areas.
- 3.4 Under our normal duty to cooperate we will consult one another during the development of strategic documents and in coordinating services, including but not exclusively:
 - 3.4.1 Growth Hub delivery model enhancement, development, sharing best-practice.
 - 3.4.2 Careers Enterprise Company learning from delivery experiences.
 - 3.4.3 Collaboration with Accelerate East
- 3.5 Both parties commit to regularly reviewing the partnership relationship and its focus.

STRATEGIC PARTNERSHIP AGREEMENT

between

NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP (NALEP)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

Signed on behalf of Cambridgeshire & Peterborough Combined Authority:

.....

Name:

Position:

Date:

Signed on behalf of New Anglia LEP:

.....

Name:

Position:

Date:

STRATEGIC PARTNERSHIP AGREEMENT

between

WEST SUFFOLK COUNCIL (WSC)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

1 Background to the Agreement

- 1.1 Since their establishment in 2010, Local Enterprise Partnerships have been integral to economic growth across England. Following the publication of our modern Industrial Strategy, that sets out an approach to ensuring prosperous communities throughout the country, The Ministry of Housing, Communities & Local Government have reviewed policy towards Local Enterprise Partnerships to ensure that they continue to support Government in meeting this ambition. In the Industrial Strategy, Government committed to work with Local Enterprise Partnerships to bring forward reforms to, amongst other things, the geographical boundaries between LEPs.
- 1.2 As a result, the overlaps between LEPs have been removed, with the geography of the former Greater Cambridge and Greater Peterborough LEP becoming co-terminus with that of the Cambridgeshire & Peterborough Combined Authority, removing the previous overlap of West Suffolk.
- 1.3 However, both parties recognise the strong linkages between their two areas and the need to continue and enhance strategic joint working into the future, irrespective of the future configuration of the Local Enterprise Partnerships.

2 Overall Commitment

- 2.1 Both parties share a commitment to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future. Partnership is essential to delivery and the public sector, in particular needs, to work more closely to leverage all its resources.
- 2.2 Together, we are committed to coordinate our resources and build a consensus that gives our communities, businesses and central government the confidence that when they make decisions to live, grow and invest in our region they do so knowing there's not a better area in the country to do it.
- 2.3 In this regard, we are aligned to the objective of working together to bring about inclusive growth across our region to support growth and create healthy and prosperous communities and places. In particular, we will collaborate on future strategic planning beyond the previous overlap area and around;
 - 2.3.1 Joint opportunities to enable growth in infrastructure or skills development;
 - 2.3.2 Joint investment that contribute to inclusive growth;
 - 2.3.3 Joint projects of mutual benefit that improve the lives of residents and workers;
 - 2.3.4 Partnership working, across the region, to increase housing supply and improve housing choice and quality;
 - 2.3.5 Aligning and coordinating the Local Growth Fund on projects of mutual benefit;
 - 2.3.6 Share information, data and evidence that informs the development of the region.

3 In practice, this will mean:

- 3.1 Proposals or decisions agreed between the organisations will continue to be taken in line with their own decision-making processes.
- 3.2 Meetings; Representatives of the two organisations shall:
 - 3.2.1 Meet every six months to review joint working, identify opportunities for collective working, and agree future priorities.
- 3.3 Funding: Both organisations will work together to:
 - 3.3.1 Identify potential opportunities for HMG investment into the region, supporting the development of business cases and identification of funding streams, including approaching HMG around investment into the sub-region's leadership in Agri-tech.
 - 3.3.2 Where appropriate to do so, and subject to respective decision-making processes, provide investment funds to support mutually beneficial proposals, such as the use of CPCA's current allocation of Local Growth Funds for the development of the Haverhill Research Park;
- 3.4 Under our normal duty to cooperate we will consult one another during the development of strategic documents and in coordinating services:
- 3.5 Both parties commit to regularly reviewing the partnership relationship and its focus, including data driven analysis of what is being achieved achieving. This review process will be carried out through the six-monthly meetings, as well as through ongoing dialogue.

STRATEGIC PARTNERSHIP AGREEMENT

between

WEST SUFFOLK COUNCIL (WSC)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

Signed on behalf of Cambridgeshire & Peterborough Combined Authority:

.....

Name:

Position:

Date:

Signed on behalf of West Suffolk Council:

.....

Name:

Position:

Date:

STRATEGIC PARTNERSHIP AGREEMENT

between

RUTLAND COUNTY COUNCIL (RCC)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

1 Background to the Agreement

- 1.1 The CPCA and RCC recognise the strong linkages between their two areas and the need to continue and enhance joint working, irrespective of the future configuration of the Local Enterprise Partnerships, and the Mayoral Combined Authority's requirement to ensure coterminosity of services.

2 Overall Commitment

- 2.1 Both parties share a commitment to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future. Partnership is essential to delivery and the public sector, in particular needs, to work more closely to leverage all its resources.
- 2.2 Together, we are committed to coordinate our resources and build a consensus that gives our communities, businesses and central government the confidence that when they make decisions to live, grow and invest in our sub-region they do so knowing there's not a better area in the country to do it.
- 2.3 In this regard, we are aligned to the objective of **working together to bring about inclusive growth across our sub-region to support growth and create healthy and prosperous communities and places**. In particular, we will:
- 2.3.1 Collaborate on the proposals for **future strategic planning**
- 2.3.2 **Explore joint opportunities** for investment to enable growth, particularly in infrastructure or skills development;
- 2.3.3 **Provide joint investment** for initiatives that contribute to inclusive growth, including through new funding models;
- 2.3.4 **Deliver joint projects** of mutual benefit that improve the lives of residents and workers in the sub-region;
- 2.3.5 **Build on the existing partnership working**, across the sub-region
- 2.3.6 **Develop a coordinated approach** to the Local Growth Fund, agreeing which of the CPCA and GLLEP pots are most appropriate for specific projects; and
- 2.3.7 **Share information, data and evidence** that informs the future development of the sub-region.

3 In practice, this will mean:

- 3.1 **Political Sovereignty:** proposals or decisions agreed between the organisations will continue to be taken by the CPCA Board and RCC, in line with their own decision-making processes.
- 3.2 **Meetings;** Representatives of the two organisations shall:
 - 3.2.1 Meet three times a year to review joint working, identify opportunities for collective working, and agree future priorities.
- 3.3 **Funding:** Both organisations will work together to:
 - 3.3.1 Subject to each other's decision making processes, and priorities, identify potential opportunities for HMG investment into the sub-region, supporting the development of business cases and identification of funding streams; including approaches to HMG around the Housing Infrastructure Fund recognising that Rutland provides significant housing for high value employees involved in growing Peterborough's economy; and increasing the capacity and safety of the A1 between the Orton Interchange and the A606 exit, which provides a key flow of both goods and people into the north of the CPCA economy; and
 - 3.3.2 Where appropriate to do so, and subject to respective decision-making processes, provide investment funds to support mutually beneficial proposals, such as the use of CPCA's current allocation of Local Growth Funds for the development of St Georges Barrack site.
- 3.4 **Under our normal duty to cooperate** we will consult one another during the development of strategic documents, including:
 - 3.4.1 Local development plans (both statutory and non-statutory); and
 - 3.4.2 Local transport, skills and industrial strategy plans and other strategic plans which promote growth, housing and infrastructure strategies.
- 3.5 **Review;** both parties commit to regularly reviewing the partnership relationship and its focus, including data driven analysis of what is being achieved achieving. This review process will be carried out through the meetings three times a year, as well as through ongoing dialogue.

STRATEGIC PARTNERSHIP AGREEMENT

between

RUTLAND COUNTY COUNCIL (RCC)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

Signed on behalf of Cambridgeshire & Peterborough Combined Authority:

.....

Name:

Position:

Date:

Signed on behalf of Rutland County Council:

.....

Name:

Position:

Date:

STRATEGIC PARTNERSHIP AGREEMENT

between

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK (BKLWN)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

1 Background to the Agreement

- 1.1 The Cambridgeshire and Peterborough Combined Authority has an ambition, set out in our devolution deal, to double GVA over 25 years. The Combined Authority recognises that to meet that growth it needs to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future.
- 1.2 Borough Council of King's Lynn & West Norfolk has an ambition to support and invest in our communities and businesses to encourage and manage ambitious growth in prosperity and quality of life for all. In particular, we will use our investments, assets, leadership and influence to maximise the benefits for West Norfolk and UK plc, to support services and generate economic, social and financial return.
- 1.3 The CPCA and BKLWN recognise the strong linkages between their two areas and the need to continue and enhance joint working, irrespective of the future configuration of the Local Enterprise Partnerships, and the Mayoral Combined Authority's requirement to ensure coterminosity of services

2 Overall Commitment

- 2.1 Partnership is essential to delivery. The public sector in particular needs to work more closely to leverage all its resources, human and financial and build a consensus. This will enable us to take forward our shared aim of giving our communities, businesses and central government the confidence that when they make decisions to live, grow and invest in our region they do so knowing it has a great future. The right partnerships respect geographic boundaries but break down arbitrary barriers that often delay common sense approaches to driving economic, housing or trade benefits.
- 2.2 Borough Council of King's Lynn & West Norfolk and the Cambridge and Peterborough Combined Authority are aligned to these objectives and are committed to working together to bring about inclusive growth across Cambridgeshire and West Suffolk, to support growth and create healthy and prosperous communities and places. Both parties share a commitment to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future. Partnership is essential to delivery and the public sector, in particular needs, to work more closely to leverage all its resources.
- 2.3 Together, we are committed to coordinate our resources and build a consensus that gives our communities, businesses and central government the confidence that when they make decisions to live, grow and invest in our sub-region they do so knowing there's not a better area in the country to do it.
- 2.4 In this regard, we are aligned to the objective of working together to bring about inclusive growth across our sub-region to support growth and create healthy and prosperous communities and places. In particular, we will:

- 2.4.1 Collaborate on the proposals for **future strategic planning**
- 2.4.2 **Explore joint opportunities** for investment to enable growth, particularly in infrastructure relating to the Ely area Capacity enhancement, the A10 and the A47; and also in the area of skills development;
- 2.4.3 **Provide joint investment** for initiatives that contribute to inclusive growth, including through new funding models;
- 2.4.4 **Deliver joint projects** of mutual benefit that improve the lives of residents and workers in the sub-region;
- 2.4.5 **Build on the existing partnership working**, across the sub-region, to increase housing supply and improve housing choice and quality relating to Wisbech Garden Town where both partners have commitments to deliver housing in their respective catchment areas;
- 2.4.6 **Develop a coordinated approach** to the Local Growth Fund, agreeing which of the CPCA and NALEP pots are most appropriate for specific projects;
- 2.4.7 **Share information, data and evidence** that informs the future development of the sub-region.

3 In practice, this will mean:

- 3.1 **Political Sovereignty:** proposals or decisions agreed between the organisations will continue to be taken by the CPCA Board and BKLWN, in line with their own decision-making processes.
- 3.2 **Meetings;** Representatives of the two organisations shall:
 - 3.2.1 Meet every six months to review joint working, identify opportunities for collective working, and agree future priorities.
- 3.3 **Funding:** Both organisations will work together to:
 - 3.3.1 Subject to each other's decision-making processes and priorities, identify potential opportunities for growth and investment that are of mutual benefit, supporting the development of business cases and identification of funding streams;
 - 3.3.2 Where appropriate to do so, and subject to respective decision-making processes, provide investment funds to support mutually beneficial proposals;
 - 3.3.3 Support initiatives to encourage government and other funding sources to invest in the sub-region;

3.4 Under our normal duty to cooperate we will consult one another during the development of strategic documents, including:

3.4.1 Local development plans (both statutory and non-statutory)

3.4.2 Local transport, skills and industrial strategy plans and other strategic plans which promote growth, housing and infrastructure strategies.

3.5 **Review;** Both parties commit to regularly reviewing the partnership relationship and its focus, including data driven analysis of what is being achieved achieving. This review process will be carried out through the six-monthly meetings, as well as through ongoing dialogue.

STRATEGIC PARTNERSHIP AGREEMENT

between

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK (BKLWN)

and

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

Signed on behalf of Cambridgeshire & Peterborough Combined Authority:

.....

Name:

Position:

Date:

Signed on behalf of Borough Council of King's Lynn And West Norfolk:

.....

Name:

Position:

Date:

BUSINESS BOARD	AGENDA ITEM NO: 4.2
23 SEPTEMBER 2019	PUBLIC REPORT

GREATER SOUTH EAST ENERGY HUB

1.0 PURPOSE

- 1.1. As part of the prioritisation exercise with the Cambridgeshire & Peterborough Combined Authority (CPCA), the role of Accountable Body for Greater South East Energy Hub has been identified as a non-priority project.
- 1.2. The CPCA is seeking an alternative Accountable Body for the Energy Hub, this will not impact on the Hub's activity in Cambridgeshire & Peterborough,
- 1.3. In the interim, whilst a transfer of Accountable Body is agreed, a governance process must be established to enable all Local Enterprise Partnerships /lead local authorities to oversee the activities of the Hub and be involved in decision-making. This will enable CPCA to meet the requirements in the Memorandums of Understanding (MoUs) between the Department for Business, Energy and Industrial Strategy (BEIS) and the CPCA.
- 1.4. To this end the Greater South East Energy Hub Board (Hub Board) has been established with members from each of the LEP's however, in order to fulfil the decision-making role that Government require the Hub Board must now be formally recognised within the CPCA governance structure.
- 1.5. The draft Terms of Reference and Accountable Body Agreement for the Hub Board are attached.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of Business Board
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: N/A Key Decision: No	
<p>The Business Board is asked to:</p> <ul style="list-style-type: none"> a) Recommend to the Combined Authority Board that the Energy Hub is transferred to a new Accountable Body which will be decided by the Hub Board; b) Recommend the Combined Authority Board to agree to the establishment of the Greater South East Energy Hub Board in line with the Terms of Reference and included in this report, and authorise the Director of Business & Skills, in consultation with the Lead Member for Economic Growth, Chief Finance Officer and Monitoring Officer, to make minor amendments to terms of reference as required in their finalisation; c) Agree to delegate authority to the Energy Hub Board for the use of the Local Energy Capacity Support Grant and Rural Community Energy Fund where the decisions do not impact Cambridgeshire and Peterborough Combined Authority staffing arrangements; and d) Note the draft Accountable Body Agreement and authorise the Section 73 Officer to make minor amendments and finalise the agreement. 	

2.0 BACKGROUND

- 2.1. As part of the prioritisation exercise within the CPCA, non-priority projects that could be removed or resource allocation reduced were identified. The Accountable Body role for the South East Energy Hub is one such non-priority project.
- 2.2. The Energy Hub is designed to support all LEPs (including the Combined Authority's Business Board) in the greater south east of England. A change in Accountable Body would have no impact on the Hub's activity in Peterborough and Cambridgeshire.
- 2.3. On the 28th February 2018 the CPCA Board agreed that the CPCA would be the Accountable Body for the Greater South East Energy Hub funded by the Department for Business, Energy and Industrial Strategy (BEIS).

- 2.4. A MoU was signed in March 2018 between BEIS and the Combined Authority which set out the purpose and requirements of the Local Capacity Support grant of £1,321,000 to fund the delivery of the Hub. This was subsequently amended on 26th March 2019 to £2,021,000.
- 2.5. A MoU was signed in March 2019 between BEIS and the Combined Authority for the Rural Community Energy Fund (RCEF) providing £2.9M to the Hub for the delivery of the RCEF grant programme.
- 2.6. The RCEF MoU sets out the requirement that each region establishes a governance process to enable the Hub Board to make decisions on the allocation of RCEF grants with the first awards being granted in September 2019.
- 2.7. The role of the Accountable Body is to:
- Contract with BEIS on behalf of the consortia of eleven LEPs to deliver the Local Capacity Support Programme (LCSP) and the Rural Community Energy Fund (RCEF).
 - Be ultimately responsible for the employment of the staff, delivery of the programmes and allocation of the grant.
 - Provide back office support (financial, legal, procurement, IT, HR, marketing/comms) to the Hub based on an overhead of 15% of the staff salaries (est. £128,921 to 03/2021).
- 2.8. BEIS have confirmed that a transfer of Accountable Body is possible through written procedure between the Combined Authority as the outgoing Accountable Body and the new incoming Accountable Body. This will need to be agreed with BEIS, signed off by MHCLG and Treasury.
- 2.9. BEIS require the following conditions to be met for the transfer of Accountable Body:
- Financial records of all spend and interest earned
 - A mechanism for financial transfer
 - Staffing transfer (based on the agreed staffing structure)
 - The Hub Board will be the decision-making body to select the new AB
 - There must be no impact on Hub delivery during the process of transfer
- 2.10. To fulfil the requirements set out in the MoU and to ensure there is no impact on Hub delivery during the process the Combined Authority are required to enable the governance structure for the Hub Board.
- 2.11. The Hub Board needs to be formally recognised as part of the CPCA governance structure and receive delegated authority for the Hub funds.
- 2.12. The Terms of Reference attached as Appendix 1 have been agreed by the 10 LEPs and were presented to the Business Board in June. The ToRs need to be

agreed by the Combined Authority Board to meet the requirements of the MoUs between BEIS and the Combined Authority.

2.13. The attached draft Accountable Body Agreement sets out how the CPCA will operate the Hub and the roles and responsibilities of both CPCA and the 10 LEPs.

2.14. There will be transfer by novation agreement to the new Accountable Body, this will include:

- Terms of Reference and Accountable Body Agreement
- The BEIS Local Capacity Support Programme, Rural Community Energy Fund and respective variations to MoUs
- Contracts with external suppliers

2.15. Staff will be subject to TUPE to the new Accountable Body.

2.16. The recruitment for RCEF staff was due to commence in July, this will not be possible during a TUPE process therefore, due diligence, project appraisal and community project support services will be outsourced until a transfer of Accountable Body is finalised. This cost will be met by the RCEF staffing budget.

2.17. The recruitment for the Local Capacity Support Programme Funding Manager to support the pipeline projects business cases, financial modelling, investment options and project due diligence will also be outsourced, this cost will be met by the existing budget.

2.18. The Combined Authority will continue to be responsible for the Hub until the transfer is complete.

2.19. While CPCA is the Accountable Body for the funds, the CPCA's Section 73 officer has ultimate responsibility for the use of the grant funds thus all papers with a financial implication must receive S73 sign off prior to being presented to the Hub Board.

3.0 FINANCIAL IMPLICATIONS

3.1. The two grants for which delegated authority is being recommended (Local Capacity Support Grant and the RCEF) have governance structures and restrictions set out by BEIS in their respective MoUs. As these specify that the grant funding is ringfenced for the Hub, and applications for the RCEF respectively, they could not be utilised on other projects, thus there is no effect on the wider CPCA budgets.

3.2. As identified in the report Energy Hub staff will be subject to a TUPE process to transfer their employment to the new Accountable Body, however their whole costs are covered by the Energy Hub funding which is also being transferred so

there should be no significant net impact on the CA's budgets due to the transfer.

4.0 LEGAL IMPLICATIONS

- 4.1. The operation of an agreed Terms of Reference will enable the Combined Authority to meet the requirements of the BEIS MoU and mitigate any risk to impact on Hub delivery.
- 4.2. The operation of an agreed Terms of Reference will ensure both certainty and consistency in the work of the Energy Hub Board and provide transparency as to its responsibilities

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no significant implications beyond those identified in the report.

6.0 APPENDICES

- 6.1. Appendix 1 – Draft Terms of Reference for the Greater South East Energy Hub Board
- 6.2. Appendix 2 – Draft Accountable Body Agreement
- 6.3. Appendix 3 – GSE Hub Assessment Framework

<u>Background papers</u>	<u>Location</u>
BEIS CPCA Local capacity Support MoU	Cambridgeshire and Peterborough Combined Authority, The Incubator, The Boulevard, Enterprise Campus Alconbury Weald, Huntingdon, PE28 4XA
Greater South East Local Energy Hub - Combined Authority Board key decision 28 th February 2018	
BEIS CPCA Variation to Local Capacity Support Grant	
BEIS CPCA RCEF MoU	

Terms of Reference April 2019 (Version 1.0)

Review Date – April 2020

Status of the Terms of Reference

The Terms of Reference (“**ToR**”), which are in draft until they are approved by the LEPs and CPCA, will form an Appendix to the Accountable Body Agreement between the Cambridgeshire and Peterborough Combined Authority and the Greater South East LEPs and/or lead local authorities (the “**Agreement**”).

The ToR set out the purpose and structure of the Greater South East Energy Hub Board and the Energy Hub Operational Team.

The Agreement sets out the governance arrangements between Cambridgeshire & Peterborough Combined Authority (the “**CPCA**”) and the Greater South East regional LEPs and lead local authorities (the “**LEPS**”).

Status of the Decision-making Process

The decision-making process appended to this document has been reviewed by BEIS and is agreed by the five (5) Regional Energy Hubs Boards and Accountable Bodies. However, it sits outside of the ToR and may be updated by the Greater South East Energy Hub (the “**Energy Hub**”) with the approval of the CPCA and the Greater South East Energy Hub Board.

The Energy Hub Project Assessment Framework sets out the processes and criteria for Energy Hub project support and Rural Community Energy Fund grants.

1. Introduction

The Department for Business, Energy and Industrial Strategy (BEIS) has identified that there are a number of local energy projects within LEP areas that are not developing to the point of delivery; either because they do not meet mainstream investor criteria or there is lack of human resource and technical expertise to deliver them.

BEIS allocated £1.6m for Energy Strategy development by LEPs with the first tranche of 13 LEPs receiving a total of £600K in March 2017 with the remaining 25 LEPs in England offered £1m in September 2017. One of the main outcomes of the strategies was to identify a pipeline of energy investment opportunities for each LEP area.

Following on from the strategies and as part of the Local Energy Programme, BEIS allocated funding to support the capacity of LEPs and local authorities to play a leading role in delivering low-carbon economic growth. The model for the delivery of this support was the establishment of five regional Energy Hubs in England to support the capacity of LEPs and local authorities to deliver energy projects.

Each Hub has been set up to serve a number of LEP areas which were agreed by mutual consent with the constituent LEPs, with the expectation that the LEPs work closely with their local authorities in the process of setting up and working with the Hubs. The Hubs in turn would work on behalf of all the LEP areas served and their member local authorities, it is a requirement of the BEIS for governance arrangements to be agreed in support of this.

The Hub Board was formed in November 2017 to establish the Greater South East Energy Hub, comprising the consortia of eleven (11) LEPs/lead authorities in the Greater South East. All LEPs were able to put forward proposals for hosting the Hub (as Lead Authority and Accountable Body for the Section 31 grant). The CPCA became the Accountable Body by mutual agreement in March 2018. The Energy Hub was set up in April 2018 and became operational in September 2018.

The Energy Hub is to be funded by BEIS for an initial period of three (3) years, as detailed in the Local Energy Capacity Support Memorandum of Understanding entered into by BEIS and the CPCA (the “**MoU**”) and the Variation to MoU (26/3/19).

The Energy Hub will administer the Rural Community Energy Fund for a minimum period of two (2) years as detailed in the Rural Community Energy Fund Memorandum of Understanding entered into by BEIS and the CPCA (the “**RCEF MoU**”).

2. Objectives of the Greater South East Energy Hub

The key objective of the Energy Hub is to work collaboratively with LEPs and their member local authorities across the greater south east area to co-ordinate the identification and prioritisation of local energy projects and to undertake the initial stages of development for priority projects up to a point where investment can be secured. The governance structure of the Energy Hub allows for decisions to be made at a local level and to be aligned with local strategic priorities. The Energy Hub

will seek to: Increase the number, quality and scale of local energy projects being delivered;

- a) Raise local awareness of the opportunity for and benefits of local energy investment;
- b) Enable local areas to attract private and/or public finance for energy projects;
- c) Identify options for the Energy Hub model to be financially self-sustaining after the funding period.

3. Hub Board and Operational Team Structure

The Energy Hub will operate under an Energy *Hub Board* (the “**Hub Board**”) and an Energy Hub *Operational Team* (the “**Operational Team**”). The ultimate purpose of this dual arrangement is to ensure that the Energy Hub delivers the required quality outcomes outlined in the MoU and the Local Energy Strategies and responds appropriately to changing requirements of both the LEPs and the operational environment.

4. Hub Board Roles and Responsibilities

The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board will provide oversight of the Operational Team’s delivery of the programme to ensure it fulfils the aspirations and expectations of key stakeholders in line with the scope outlined in the MoU. The decision-making process for the allocation of project support is detailed in the Project Assessment Frameworks appended hereto as (Annex 1 Local Energy Capacity Support & Annex 2 Rural Community Energy Fund).

The Hub Board shall have the authority to make decisions in relation to the proposed deployment of the Grant.

The Hub Board shall:

- a) provide overall strategic direction for the allocation of Grant and leverage of Funds;
- b) provide direction and support in relation to the development, delivery and implementation of Energy Hub funded activities;
- c) promote the Energy Hub and the available support within the Greater South-East LEPs and their constituent local authorities, businesses and higher education research base;
- d) provide recommendations to CPCA with regard to the staffing structure of the Operational Team in consultation with the Regional Hub Manager and Section 73 officer of CPCA;
- e) approve the criteria for selection/prioritisation of pipeline projects;
- f) make decisions based on the scrutiny of individual project support proposals (approve allocation of technical/consultancy project support);
- g) approve bids to BEIS for tools to support capability building;
- h) utilise existing CPCA governance structures to deliver the RCEF scheme;
- i) make final decisions for allocations of the RCEF scheme (through the Hub Board or subordinate group thereof);

j) comply with the Assurance Framework.

The Hub Board shall ensure that the Energy Hub has:

- a) a suitable financial model;
- b) appropriate delegated authority and agreed financial thresholds;
- c) the appropriate strategic direction in accordance with the MOU;
- d) robust frameworks for the operation of the Hub;
- e) monitor and evaluate progress against the objectives defined in the MOU;
- f) an agreed communication strategy; and
- g) clear plans for self-sustainability by the Exit Date.

The Hub Board shall act in an advisory capacity to the Accountable Body in relation to the Section 31 grant agreements. All decisions concerning financial models or that have a financial impact will be undertaken by the Hub Board with approval of the Section 73 officer.

The Hub Board shall be required to approve:

- a) the allocation of financial resources by the CPCA, for project feasibility studies and the Hub Operational Team;
- b) the allocation of RCEF grants;
- c) decisions made regarding the allocation of any future funding delegated to the Hub.
- d) All Board and sub-committee or sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

5. Board Composition

The Hub Board comprises representation of:

- a) one (1) board member from each LEP area served;
- b) one (1) board member representing the Accountable Body Section 73 Officer; and
- c) One (1) Chairperson.

Each LEP board member will have a substitute nominated by the LEP and BEIS will have a position as observer and advisor.

The Energy Hub comprises the following members:

- | | |
|---|-------------------------------|
| • Cambridgeshire & Peterborough Combined Authority (Accountable Body) | • South East Midlands LEP |
| • Cambridge & Peterborough Combined Authority (Business Board) | • Coast to Capital LEP |
| • New Anglia LEP | • Enterprise M3 LEP |
| • South East LEP | • Hertfordshire LEP |
| | • Oxfordshire LEP |
| | • Thames Valley Berkshire LEP |

- Buckinghamshire Thames Valley LEP
- BEIS is a permanent observer representing Local Energy
- Greater London Authority

6. Recruitment of Hub Board Members

The Hub Board shall appoint an Independent Chairperson.

Hub Board Members and Substitutes are nominated by each LEP/lead local authority. Board Members must have the capacity and capability to deliver their role and have delegation for decision-making from their LEP Board or if delegated, the Chief Executive. Hub Board Members are expected to represent their organisations at a strategic level.

The Chief Finance Officer (s73) (or deputy) shall have a non-voting position on the Hub Board.

Whilst all appointments to the Hub Board will be on merit, in accordance with Government requirements, the Hub Board will aim to maintain the gender balance and representation of those with protected characteristics on its board with the following minimum requirements:

- that women make up at least one third of Hub Board by 2020
- with an expectation for equal representation by 2023, and
- ensure its Board is representative of the businesses and communities they serve

The Hub Board is currently comprised with an equal gender balance.

Chairperson & Vice Chairperson of the Hub Board

The Hub Board will appoint an independent Chairperson.

The Chairperson shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the Combined Authority's diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Hub Board's appointments panel. The Hub Board will consult widely and transparently before appointing a new Chairperson. Each Party shall, should they so wish, nominate an individual for the position of Chairperson and provide the Hub Board with details of said individual for consideration, within ten (10) days of the last date of signature of this Agreement;

Nominated individuals must have:

- previously held a similar position;
- significant energy sector experience; and
- an understanding of how authorities operate.

The Hub Board shall convene a meeting to deliberate and prepare a shortlist of three (3) nominees to interview, no less than ten (10) days after the close of the public advert.

The Hub Board shall then select a panel of no less than five (5) Representatives (the "**Interview Panel**") to interview the shortlisted nominees.

The appointment of the Chairperson shall be made by the unanimous decision of the Interview Panel.

Terms of Appointment

The term of office for **independent Chairperson** will normally be one (1) year, and subject to a maximum of one(1) consecutive term, unless:

- (a) they resign from their position and communicate this in writing to the Hub Board and CPCA Monitoring Officer; or
- (b) upon receipt of a vote of no confidence by the Hub Board, the Board must consider whether to terminate the terms of office of the Chair at the next meeting of the Board.

The position of Chairperson shall be reviewed annually.

The terms of the appointment will be set out in an appointment letter from the Combined Authority to the Chairperson. The Chairperson will be remunerated for allowable expenses.

The Hub Board shall appoint a vice Chairperson from amongst its membership, the term of office is at their discretion.

Working Groups

The Hub Board may appoint informal non-decision-making working groups or panels. Any such subordinate body set up by the Hub Board shall include one or more Hub Board members as nominated by the Board. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the Combined Authorities Assurance Framework and Hub Terms of Reference.

RCEF Funding Panel

The Hub Board may appoint a formal decision-making Funding Panel for the RCEF Grants. This subordinate body set up by the Hub Board shall include one or more Hub Board members as nominated by the Board, Local Enterprise Partnerships, lead local authorities and a BEIS official. To guard against any potential conflicts of interest that could potentially arise through Combined Authority involvement with the application or project, the Hub Board must ensure that there are several local authorities represented on the Funding Panel. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the Combined Authorities Assurance Framework and Hub Terms of Reference.

7. Accountability

The Hub Board members are responsible for acting as points of contact and communication 'leads' for their LEP area and as such are required to ensure that

- (a) all relevant LEP and local key stakeholders are kept fully informed of Energy Hub activities; and
- (b) they represent the views of the LEP area.

8. Collaboration

The Hub Board members are required to take a collaborative and coordinated approach across multiple LEPs, including supporting the Operational Team to identify strategic collaborative projects. Projects that are supported by the Hub and develop collateral and assets, such as business cases, templates and toolkits shall be shared with other LEPs for the benefit of the greater south east area.

9. Duty of Confidentiality

Hub Board members have a duty to maintain the confidentiality of information that they acquire by virtue of their position. Each shall keep confidential any and all information marked as confidential and any and all materials relating to specific project beneficiaries or prospective beneficiaries of support unless compelled by legal process to disclose such information, or authorised to do so by the Hub Board. The Hub Board members can disclose confidential information to their respective LEP Board and/or Secretariat, providing that information is treated in confidence.

10. General Operational Procedures

Meetings

Meetings of the Hub Board shall not be open to the public unless determined otherwise by the Chair.

Agendas and Minutes

Agendas and reports for the Hub Board will be available on the Hub's website www.energyhub.org.uk at least five clear working days before the meeting to which they relate in accordance with the Transparency rules in chapter 6 of the Combined Authority constitution. Any funding decisions shall be ratified by the Combined Authority as accountable body for the Hub Board.

The public may have access to agenda, reports and minutes of public and private meetings except where they are exempt from disclosure under the Freedom of Information Act 2000 (FOIA).

Freedom of Information

Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under the Freedom of Information Act 2000 (FOIA). These papers will be classed as reserved papers.

Likely exemptions that are likely to make information reserved include but are not limited to:

- Commercial sensitivity
- Information provided in confidence
- Personal data
- Legal professional privilege
- Information intended for publication at a future date

Representation in meetings:

A representative of each LEP should be present at the meetings of the Hub Board, the Board Member. Each LEP may appoint a substitute or proxy, to attend and vote at any meeting and each representative shall participate in a cooperative manner in the meetings.

Convening meetings:

The Chairperson of the Hub Board shall:

- authorise and approve a relevant schedule of business for the Hub Board;
- convene meetings of the Hub Board on a frequency no more than six (6) weeks apart;
- give notice in writing to each Representative no later than ten (10) working days prior to any such meeting; and
- prepare and send each Representative a written agenda no later than five (5) clear working days prior to any meeting.

Meetings of the Hub Board may be held:

- face to face in various locations that are geographically accessible to the Parties; or
- by teleconference or another telecommunication means where it is not possible to meet face to face.

Quorum

The Hub Board shall not deliberate and decide validly unless at least seven (7) Representatives are present or represented ("**Quorum**");

During any meeting if the Chairperson counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chairperson does not fix a date, the remaining business will be conducted at the next ordinary meeting.

Decision Making and Voting

Wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chairperson considers it to be necessary to establish whether a consensus exists.

- Each LEP Representative present or represented in a meeting shall have one (1) vote.
- The CPCA Section 73 officer does not have a vote;
- Decisions taken shall require a majority of the votes cast of those attending;
- In the event of a tied vote, the Chairperson shall have the deciding vote.

The vote will be by way of show of hands and recorded in the minutes.

Decisions: The Hub Board shall be free to act on its own initiative to formulate proposals and take decisions in accordance with the procedures set out herein.

Decisions of the Hub Board

The draft minutes of the Hub Board will be posted on the Hub's website within 12 clear working days of the meeting taking place. Provided that (a) no objection has been raised; and (b) no information contained in the minutes would be deemed exempt information under Schedule 12A of the Local Government Act 1972, the minutes of each Hub Board meeting shall be published on the Hub's website, www.energyhub.org.uk within two (2) clear working days of them being accepted.

- The Chairperson of the Hub Board shall ensure that the draft minutes of each meeting are sent to all Representatives within five (5) working days of each meeting;
- Draft minutes will be accepted as final at the subsequent Board meeting.
- Objections lodged with the Chairperson should be considered and actioned at the following Board meeting.

Where decisions need to be ratified by the CPCA as Accountable Body and the Combined Authority does not agree, they will refer the matter back to the Hub Board with the reasons and ask the Hub Board to reconsider.

Urgency Procedure

In order to ensure that the Hub Board is able to progress its business in an efficient manner, comments on urgent matters may be sought by the Regional Hub Manager or other Statutory Officer outside the meeting cycle.

Members will receive email notification which identifies:

- (a) Details of the matter requiring comment and/or endorsement and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to be held to conduct the business);
- (b) The date responses are required by;
- (c) The name of the person or persons making or putting forward the proposal/decision

Two working days after the close of responses, the following will be circulated to all Hub Board Members:

- (a) The outcome of the decision taken by Statutory Officers (including responses received in agreement and responses received in disagreement); and the date when any decision comes into effect; and
- (b) Any mitigating action taken to address Members' stated views or concerns.

Decisions and actions taken will be retrospectively reported to the next meeting of the Hub Board.

Complaints and Whistleblowing

Any complaint received about the Hub Board will be dealt with under either the Combined Authority Complaints or Confidential Complaints Policy.

Any complaint about an individual Hub Board member alleging a breach of the Code of Conduct will be dealt with in accordance with the code of conduct.

Any whistleblowing concerns raised about the Hub Board will be dealt with under the Combined Authority's Whistleblowing Policy.

Each of these procedures or policies shall be published on the Combined Authority web-site and accessible from the Hub Board's web-site.

11. Code of Conduct

All Hub Board members are expected to adhere to the Nolan Principles of public sector bodies. The Combined Authority has a Code of Conduct which applies to members of the Hub Board.

12. Conflicts of Interest

Register of Interests

It is the responsibility of Board members to ensure an up to date Register of Interests is maintained. Each Hub Board member must complete and keep up to date a register of interest form required under the Combined Authority's code of conduct. The register of interest form will be published on the Hub's website within 28 days from the date of the appointment and is a condition of appointment. A member must within 28 days of becoming aware of any change in their interests provide written notification of this.

It is the responsibility of Board members to declare any interest on any item of business being conducted at a Hub Board or working group meeting. Any declarations of interest made by a Hub Board member at a meeting and any action taken, (such as leaving the room, or not taking part), will be recorded in the minutes for that meeting. The member should update their register of interest form within 7 days of the meeting if a new interest has been declared.

Any alleged breach of the Hub Board member code of conduct will be dealt with under the Combined Authority's Member Complaints Procedure.

13. Grievance Procedure

There are three (3) key points for the grievance procedure:

1. Issues must be dealt with promptly and consistently;
2. The LEPs should have an opportunity to put their case to the Hub Board; and
3. The decision of the Hub Board will be final

The Procedure

i. Raise the grievance in writing

- a) If a LEP has a grievance the LEP Representative should raise it with the Hub Board without unreasonable delay, and within one (1) month of the incident which gave rise to the complaint. The LEP Representative must provide the Hub Board with details in writing of the specific circumstance or circumstances which constitute the grievance, with dates, etc.

ii. Invitation to a Grievance Meeting

- a) The Hub Board will invite the LEP Representative to attend a meeting, without unavoidable delay to discuss the matter. The meeting should ideally be arranged within five (5) working days of the Hub Board receiving the written grievance.

iii. Grievance Meeting

- a) Where possible, a note-taker, who must be uninvolved in the case will take down a record of the proceedings.
- b) The Chairperson of the Hub Board will introduce the meeting, read out the grounds of the grievance, ask the LEP Representative if they are correct and require the LEP Representative to provide clarification regarding details of the grievance if unclear.
- c) The LEP Representative will be given the opportunity to put forward her/his case and say how they would like to see it resolved.
- d) The meeting may be adjourned by the Chairperson of the Hub Board if it is considered necessary to undertake further investigation. Any necessary investigations will be carried out to establish the facts of the case. The meeting will be reconvened as soon as reasonably practicable.
- e) Having considered the grievance, the Chairperson of the Hub Board will give her/his decision regarding the case in writing to the LEP Representative within five (5) working days. If appropriate, the decision will set out what action the Hub Board intends to take to resolve the grievance or if the grievance is not upheld, will explain the reasons.

14. Accountable Decision Making

Local Energy Capacity Support

All LEPs have set a strategic direction for their respective areas through a Local Energy Strategy. Funded by BEIS in 2017/18, energy strategies were required to provide strategic fit with BEIS policy, (energy related aspects of the Industrial Strategy and the

national trajectory for decarbonisation and clean growth) and align with other national and local energy and low carbon policy. The Energy Strategies were signed off at LEP Board level after consultation with all the key engagement groups.

In the Greater South East Hub region there are six (6) Local Energy strategies:

- Local Energy East, a tri-LEP strategy for CPCA, NALEP and Hertfordshire LEP;
- South2East a tri-LEP strategy for SELEP, C2C and EM3;
- Oxfordshire LEP
- South East Midlands LEP
- Thames Valley Berkshire LEP
- Buckinghamshire Thames Valley LEP

LEPs also have responsibility to set strategic direction through Strategic Economic Plans and emerging Local Industrial Strategies.

These strategies form a key element of the Energy Hub's decision making for Local Energy Capacity Support, as for a project to be supported it must contribute to the achievement of strategic priorities and benefit multiple LEP areas.

The decision-making process for Local Capacity Support is governed by the Local Energy Capacity Support Project Assessment Framework.

Rural Community Energy Fund

The Energy Hub, as part of the BEIS Local Energy Programme was allocated Rural Community Energy Funds (RCEF) to further the objectives of RCEF across the Greater South East. The RCEF is a scheme which provides funding to rural communities in England to develop renewable energy projects which provide economic and social benefits to the community. The Energy Hub will appoint a Rural Community Energy Fund Manager who will provide support to communities in developing grant applications and managing funded studies. The Energy Hub will offer funding to support successful applicants to the RCEF fund by either:

- i) Stage 1 Feasibility Grants – up to £40K;
- ii) Stage 2 Grants – up to £100K for business development and planning of feasible schemes. Each community receiving funds would need to provide a) resources to Community Energy England for sharing across all new schemes; and b) support the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at a local level.

The main objectives of the fund are to:

- i) increase the uptake of the RCEF scheme;
- ii) increase the number of rural communities engaged ;
- iii) monitor the impact of communities of projects funded, included but not limited to:
 - a. Jobs created
 - b. Volunteers engaged
 - c. MW produced

The Hub Board will:

- a) set up a '**Funding Panel**' for the approval of the RCEF Grants which shall include one or more Hub Board members as nominated by the Board. The Funding Panel shall include representatives from several local authorities. A BEIS official shall be present on the Funding Panel to represent the views of BEIS and ensure the criteria for RCEF are met.
- b) appoint an independent **Assessment Panel** to review applications and make recommendations to the **Funding Panel**.
- c) The Terms of Reference for the **Assessment Panel** and **Funding Panel** shall be approved by the Hub Board and comply with the Combined Authority's Assurance Framework and Hub's Terms of Reference.

The decision-making process for the RCEF will be governed by the RCEF Project Assessment Framework that is aligned with the CPCA Assurance Framework.

15. Operational Team

The Operational Team is employed on behalf of the consortium by the CPCA and perform the tasks assigned to it as per the programme objectives set by BEIS and the Hub Board.

The Regional Hub Manager (the "**Regional Manager**") is the senior responsible owner for the Energy Hub and the CPCA Section 73 Officer acts as the Chief Finance Officer.

The Regional Manager reports to the Hub Board, the Combined Authority's Director for Business, Skills & Energy and BEIS.

The Regional Hub Manager will provide, for Hub Board approval, the Energy Hub:

- Financial forecasts;
- Business Plan;
- Communications Plan;
- Stakeholder Engagement Strategy;
- Communications Framework (agreed);
- Communications Protocol (agreed);
- Project Assessment Frameworks;
- Risk Register (agreed);
- Any other framework or plan required by the Hub Board.

The Regional Hub Manager will have freedom to deliver and act on behalf of the Hub within the scope of the Hub Board approved plans and frameworks. This includes the delegation of technical consultancy allocation of up to £5K and discretion to reallocate up of 1% of the Local Capacity Support grant budget between cost centres.

The Regional Hub Manager provides monthly and quarterly progress and performance reports for BEIS for the Local Capacity Support Grant and RCEF. All reporting and minutes from meetings of the Regional Leads from the five (5) Local Energy Hubs will be shared on the Hub Board SharePoint site hosted by the CPCA.

The Regional Hub Manager will provide operational and financial reports for each Board meeting

The Operational Team is managed by the Regional Hub Manager and comprises energy specialists and support staff and – at their discretion – key subcontractors. The Operational Team are responsible for the development of the project pipeline, delivery of the RCEF, day-to-day delivery of the programme, dealing with technical delivery matters, financial monitoring and compliance, interaction with BEIS and stakeholders.

The Regional Hub Manager provides the secretariat to the Hub Board, minutes are taken by the Hub Support Coordinator; programme and local capacity support is provided from across the Operational Team. The Rural Community Energy Manager will support the delivery and administration of RCEF. The CPCA corporate support services (e.g. financial and human resources) will be provided from within the CPCA's existing support arrangements.

Annex 3 of the BEIS **Local Energy Capacity Support Grant MoU** sets out the scope of the Energy Hub and Annex 4 the KPIs and outputs to be provided by the Energy Hub.

The BEIS **Rural Community Energy Fund MoU** sets out the grant principals and governance arrangements for the fund and Annex A sets out the KPIs for the Energy Hub.

The Energy Hub operates on behalf of all LEP areas served, and their member local authorities.

16. Stakeholder Engagement

Working with stakeholders is critical to the success of the Energy Hub. The Energy Hub's Stakeholder Engagement Strategy sets out the people and groups with whom the Energy Hub should and does engage with and how this is done.

The Energy Hub was set up to work with LEPs and their local authorities to provide local capability and capacity. The LEPs through the development of their Local Energy Strategies are engaging with stakeholders and will support the Energy Hub to build relationships in their respective areas.

The Energy Hub will build relationships with local stakeholders to identify need, inform the Hub's support activities, share information and facilitate the development of local energy projects.

The Energy Hub will undertake and/or participate in a range of engagement activities to develop the stakeholder network, which may include; events, roundtables, thematic conferences, regular meetings and exchanges with advisory groups.

The Energy Hub will participate in external events, and the Hub Board members and the Regional Manager promote the work of the Energy Hub in a range of speaking engagements and events.

The Energy Hub participates in local energy conferences, supports programme development and is the BEIS local energy representative at the regional annual National Energy Efficiency Awards. The Energy Hub will work with other local energy promoters in Energy Hub region to promote the local energy agenda.

The Energy Hub utilises a range of communication channels to engage with stakeholders. An Energy Hub Communications Group with representation from the eleven (11) LEPs has been set up to develop and align communications activity and promote the Energy Hub; this group works to the Energy Hub's Communications Protocol and Communications Framework.

The Energy Hub has a channel on the BEIS Local Energy Team Huddle which is an online forum and networking website for LEPs, Local Authorities and other partners across England to support delivery of local energy projects. The Huddle enables collaborative working, the sharing of documents, access to resources, news and events.

17. Accountable Body

The CPCA is the employer of the Operational team. All Hub employees will be subject to the policies, terms and conditions of the CPCA. These may change from time to time and the Accountable Body will inform with the Hub Board on any significant changes to employment terms and conditions.

Financial Provisions

The CPCA Section 73 officer shall be solely responsible for the Energy Hub Grant with respect to compliance with the Section 31 grant agreements.

Distribution of Funds - the financial contribution of BEIS shall be distributed by the Accountable Body, with the approval of the Hub Board.

Justifying Costs – In accordance with its own usual accounting and management principles and practices, each project shall be solely responsible for justifying its costs with respect to the feasibility studies prepared for consideration by the Hub Board. No LEP shall be in any way liable or responsible for such justification of costs towards the CPCA.

Notwithstanding the foregoing, the Consortium, local authorities and other organisations shall be permitted to make financial contributions to the Accountable Body to augment or extend the duration of the services offered by the Energy Hub provided always that the Accountable Body does not profit in any way whatsoever from the use of the Grant.

In the event the Funds are not used in their entirety to achieve the objectives set out in the MOU between BEIS and the CPCA - the CPCA shall enter into discussions with BEIS to reach agreement on how best to utilise the underspend in line with the objectives agreed under the MOU, and if agreement cannot be reached, the CPCA shall repay the unspent Funds to BEIS

Record Keeping – the Accountable Body shall, in accordance with the MOU, keep all records relating to any spend funded by the Funds for a period of ten (10) years from the Effective Date

State Aid - the Accountable Body shall ensure that use of the Funds is in compliance with all State aid rules

18. Scrutiny Arrangements

The Combined Authority's Overview and Scrutiny Committee may review or scrutinise any Combined Authority decision in its role as accountable body for the Hub Board. The Combined Authority's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Hub Board decision-making and achievements.

Any Hub Board member may be asked to attend, or otherwise contribute to, a meeting of the Combined Authority's Overview and Scrutiny Committee.

The Combined Authority's Audit and Governance Committees will also review the local assurance framework and how the local assurance frameworks are operating in practice.

19. Exit Strategy

The Energy Hub is funded by BEIS for an initial term of three (3) years. The Regional Hub Manager will, in collaboration with the Hub Board, identify options for financial sustainability. Hub Board Members are expected to liaise with their member local authorities to explore the feasibility of options identified.

If and/or when the funding model changes and revenue is generated the Hub Board will review the Terms of Reference and replace the Accountable Body Agreement with a Partnership Agreement.

If and/or when the Energy Hub receives capital funding the Hub will address the need to adopt independent due diligence for project assessment processes.

20. Amendments to the Terms of Reference

These terms of reference will be reviewed annually. The Hub Board will recommend any proposed changes to the Terms of Reference to the Combined Authority.

The Combined Authority's Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:

- (a) as a result of any government guidance, legislative change or decisions of the Hub Board, or
- (b) to enable the documents to be kept up to date, or
- (c) for the purposes of clarification only.

This terms of reference and other governance documents shall be published on the Combined Authority website and accessible from the Hub's website www.energyhub.org.uk.

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ACCOUNTABLE BODY AGREEMENT

Between

- 1) CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**
 - 2) BUCKINGHAMSHIRE THAMES VALLEY LOCAL ENTERPRISE PARTNERSHIP**
 - 3) COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP**
 - 4) ENTERPRISE M3 LOCAL ENTERPRISE PARTNERSHIP**
 - 5) HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**
 - 6) NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP**
 - 7) OXFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**
 - 8) LONDON ECONOMIC ACTION PARTNERSHIP**
 - 9) ESSEX COUNTY COUNCIL, as Accountable Body for the South East Local Enterprise Partnership**
 - 10) SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP**
- and
- 11) THAMES VALLEY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP**
-

ACCOUNTABLE BODY AGREEMENT

THIS ACCOUNTABLE BODY AGREEMENT (this “**Agreement**”) dated [xxxxxxxxx] (“**Effective Date**”) is by and between:

- 1) **CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**, having a principal place of business at The Incubator, Alconbury Weald Enterprise Campus, Huntingdon PE26 4WX (“**CPCA**”);
- 2) **BUCKINGHAMSHIRE THAMES VALLEY LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Wycombe Rd, High Wycombe HP14 4BF (“**BTVLEP**”);
- 3) **COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Arun House (Horsham Training Centre), Hurst Road Horsham, West Sussex, RH12 2DN (“**C2CLEP**”);
- 4) **ENTERPRISE M3 LIMITED**, having a principal place of business at The Castle, Winchester, Hampshire SO23 8UJ (“**EM3LEP**”);
- 5) **HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Broadwater Road, Welwyn Garden City AL7 3AF (“**HLEP**”);
- 6) **NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Centrum, Norwich Research Park, Colney Lane, Norwich NR4 7UG (“**NALEP**”);
- 7) **OXFORDSHIRE LOCAL ENTERPSIRE PARTNERSHIP**, having a principal place of business at First Floor, Jericho Building, City of Oxford College Campus, Oxpens Road, Oxford, OX1 1SA (“**OXLEP**”);
- 8) **LONDON ECONOMIC ACTION PARTNERSHIP**, having a principal place of business at City Hall, The Queen’s Walk, London SE1 2AA (“**LEAP**”);
- 9) **ESSEX COUNTY COUNCIL, as Accountable Body for the South East local Enterprise Partnership**, having a principal place of business at Essex County Council, County Hall, Market Road, Chelmsford, CM1 1QH (“**ECC**”);
- 10) **SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Cranfield Innovation Centre University Way Cranfield Bedfordshire MK43 0BT (“**SEMLEP**”); and
- 11) **THAMES VALLY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP**, having a principal place of business at 100 Longwater Avenue, Reading RG2 6GP (“**TVBLEP**”)

each individually a “**Party**” and collectively the “**Parties**”

BACKGROUND

- A. The Greater South East Energy Hub is a collaboration of eleven (11) Local Enterprise Partnerships (“LEPs”) who will work together to increase the number, quality and scale of local energy projects being delivered over time.
- B. The Department for Business, Energy and Industrial Strategy (“BEIS”) has identified that there are a number of local energy projects within LEP areas that are not developing to the point of delivery; either because they do not meet mainstream investor criteria or there is lack of human resource and technical expertise to deliver them. BEIS has concluded that Local Energy Hubs can help to resolve this issue and has provided local energy capacity support to develop and resource the creation of a programme of existing and future investment ready local energy projects (the “Projects”) at a regional scale that will increase the number, quality and scale of local energy projects being delivered.
- C. BEIS and the CPCA entered into the following Memorandums of Understanding:
- i. the first dated **9 September 2018**, was subsequently amended on **26 March 2019** (together “the **MoU**”) and appended hereto at Schedule 5, for the Local Energy Capacity Support funding for which the CPCA is the Accountable Body and under which it was agreed that (i) BEIS would provide funding of **£2,021,000** subject to the terms of the MOU, for the operational delivery of the Local Energy Hub, as detailed herein (the “**Energy Hub**”); (ii) the CPCA would use the Funds to establish a Local Energy Hub Team including a consultancy budget to commission feasibility studies; (iii) the CPCA would form and lead a consortium of Local Enterprise Partnerships (the “**Consortium**”) to deliver the Projects, the objectives and scope of which are as detailed in annex 3 of the MoU ; (iv) the Consortium would establish a Hub Board to oversee the activities of the Energy Hub and be involved in decision-making; and (v) the Funds would be used solely for the development of the Projects; and
 - ii. the second dated **26 March 2019**, (the “**RCEF-MoU**”) and appended hereto at Schedule 5, for Rural Community Energy Fund (“**RCEF**”) for which the CPCA is the Accountable Body and under which it was agreed that: (i) BEIS would provide funding of **£2,900,000** subject to the terms and conditions of the RCEF-MoU for the operational delivery of the Local Energy Hub; and (ii) the CPCA would use the funds solely for the purpose of RCEF as detailed in the RCEF-MoU.

The funds received under both MoUs are together the “**Grant**”.

- D. The Energy Hub will operate via a new team of nine (9) experts, who will help to consolidate and up-scale local energy projects. Individual and multi-LEP energy strategies will provide the

initial evidence base for the Energy Hub to begin its work in late 2018, and the new team will provide resources and knowledge to determine how such projects can be developed.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. LEGAL AFFECT OF AGREEMENT

- 1.1. Save as expressly indicated below, this Agreement is not intended to be legally binding on the Parties but an expression of the intentions of each of the Parties in relation to the Energy Hub
- 1.2. Nothing in this Agreement is intended to, or shall be deemed to, establish any formal partnership or joint venture between the Parties, nor constitute any Party as the agent of another Party, nor authorise any of the Parties to make or enter into any commitments for or on behalf of another Party.

2. DEFINITIONS

- 2.1. The following words and phrases have the following meanings:

Accountable Body	the CPCA will ensure compliance with the Section 31 Agreement as the Accountable Body for the Grant;
Chairman	an individual who is independent of the Parties, and voted for by the Hub Board;
Confidential Information	all information of a confidential nature (however recorded or preserved) concerning the Consortium, a Party (or former Party) or their respective businesses (including details of customers, clients, suppliers, plans, intentions, market opportunities, operations, processes, product information, know-how, designs, trade secrets or software) and the terms of this Agreement;
Data Protection Legislation	(i) the General Data Protection Regulation ((EU) 2016/679) ("GDPR") unless and until it is no longer directly applicable in the UK, and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK; (ii) any successor legislation to the GDPR and/or the Data Protection Act 2018; and (iii) the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other applicable laws.
Exit Date	The current contract with BEIS will expire on the 31 March 2021 ;
Assurance Framework	the CPCA Assurance framework appended hereto as Schedule 6

Grant	<u>£4,921,000</u> to be used solely in accordance with the section 31 grant agreements between BEIS and the Accountable Body;
Hub Board	The decision-making body for the Energy Hub and its activity, made up of Representatives of the Parties;
Representative	The individual nominated by each Party to represent them on the Hub Board; For the avoidance of doubt, each Party has the right to change the nominated individual, at any time, provided that prior notice is given to the other Parties

3. FORMATION

- 3.1. The Consortium will operate in accordance with the activities and objectives outlined in the MoU, the Assurance Framework and the ToR, so as to enable the Local Energy Hub to achieve its agreed objectives.
- 3.2. The Energy Hub has agreed, with BEIS, to the following objectives:
 - 3.2.1. Increase number, quality and scale of local energy projects being delivered;
 - 3.2.2. Raise local awareness of opportunity for and benefits of local energy investment;
 - 3.2.3. Enable local areas to attract private and/or public finance for energy projects;
 - 3.2.4. Identify working model for teams to be financially self-sustaining after the funding period

4. COMMENCEMENT DATE AND DURATION

- 4.1. This Agreement shall commence on 1 April 2018 and shall continue until the Exit Date unless extended by the mutual written agreement of the Parties and BEIS.

5. GOVERNANCE STRUCTURE

- 5.1. The organisational structure of the Energy Hub, which is detailed in Schedule 1 appended hereto, shall comprise the following Energy Hub bodies:
 - 5.1.1. The Hub Board, which shall be
 - 5.1.1.1. comprised of the Representatives as detailed in Schedule 2 appended hereto;
 - 5.1.1.2. the decision-making body of the Energy Hub; and
 - 5.1.1.3. governed by the Hub Board Terms of Reference (the “**ToR**”) appended hereto as Schedule 3.
 - 5.1.2. The Hub Team, as detailed in Schedule 4 appended hereto, shall:

- 5.1.2.1 comprise the employees to be employed by the CPCA (the “**Hub Employees**”); and
- 5.1.2.2. perform the tasks assigned to it by the Hub as per the Hub Team job descriptions and as agreed by the Hub Board.

5.2. General Operational Procedures:

5.2.1 Appointment of Chairman:

- (a) The Chairperson shall be appointed following an open, transparent and non-discriminatory recruitment process. This will include a public advertisement and an interview process conducted by a Hub Board’s appointments panel. The Hub Board will consult widely and transparently before appointing a new Chair Each Party shall, should they so wish, nominate an individual for the position of Chairman and provide the Hub Board with details of said individual for consideration, within ten (10) days of the last date of signature of this Agreement;
- (b) Nominated individuals must have:
 - (i) previously held a similar position;
 - (ii) significant energy sector experience; and
 - (iii) an understanding of how authorities operate.
- (c) The Hub Board shall convene a meeting to deliberate and prepare a shortlist of three (3) nominees to interview, no less than ten (10) days after the close of the public advert.
- (d) The Hub Board shall then select a panel of no less than five (5) Representatives (the “**Interview Panel**”) to interview the shortlisted nominees
- (e) The appointment of the Chairman shall be made by the unanimous decision of the Interview Panel.
- (f) The position of Chairman shall be reviewed annually.
- (g) The Chair will be a non-voting member of the Hub Board, other than in the event of a tied vote.
- (h) The Hub Board shall appoint a vice chair from amongst its membership.

5.2.2. Representation in meetings:

- (a) A Representative of each Party should be present at meetings of the Hub Board;
- (b) Each Representative may appoint a substitute or proxy to attend and vote

at any meeting;

- (c) Each LEP Board, or CEO if there is appropriate delegated authority, is required to approve its representative and substitute, and acknowledge that they both have the authority to make decisions on behalf of their LEP;
- (d) Each Representative shall participate in a cooperative manner in the meetings;
- (e) BEIS shall be invited to attend Hub Board meetings.

5.2.3. Convening meetings:

- (a) The Chairman of the Hub Board shall:
 - (i) authorise and approve a relevant schedule of business for the Hub Board;
 - (ii) convene meetings of the Hub Board on a frequency no more than six (6) weeks apart;
 - (iii) give notice in writing to each Representative no later than ten (10) working days prior to any such meeting; and
 - (iv) prepare and send each Representative a written agenda no later than five (5) working days prior to any meeting.
- (b) Meetings of the Hub Board may be held:
 - (i) face to face in various locations that are geographically accessible to the Parties; or
 - (ii) by teleconference or another telecommunication means where it is not possible to meet face to face.

5.2.4. Minutes of Meetings:

- (a) The Chairman of the Hub Board shall ensure written minutes of each meeting produced, which shall be the formal record of all decisions taken.
- (b) The Chairman of the Hub Board shall ensure that the draft minutes of each meeting are sent to all Representatives within five (5) working days of each meeting;
- (c) Draft minutes will be accepted as final at the subsequent Board meeting.
- (d) Objections lodged with the Chairman should be considered and actioned at the following Board meeting.
- (e) Provided that (a) no objection has been raised; and (b) no information contained in the minutes would be deemed exempt information under

Schedule 12A of the Local Government Act 1972, the minutes of each Hub Board meeting shall be published on the Hub's website, www.energyhub.org.uk within five (5) working days of them being accepted.

5.2.5. Decisions:

- (a) The Hub Board shall be free to act on its own initiative to formulate proposals and take decisions in accordance with the procedures set out herein.

5.2.6. Voting:

- (a) The Hub Board shall not deliberate and decide validly unless at least seven (7) Representatives are present or represented ("**Quorum**");
- (b) Each LEP Representative present or represented in a meeting shall have one (1) vote.
- (c) Decisions taken shall require a majority of the votes cast of those attending;
- (d) In the event of a tied vote, the Chairman shall have the deciding vote

6. RESPONSIBILITIES OF THE HUB BOARD

6.1. The Hub Board shall have the authority to make decisions in relation to the proposed deployment of the Grant.

6.2. The Hub Board shall:

- (a) provide overall strategic direction for the allocation of Grant and leverage of Funds;
- (b) provide direction and support in relation to the development, delivery and implementation of Energy Hub funded activities;
- (c) promote the Energy Hub and the available support within the Greater South-East LEPs and their constituent local authorities, businesses and higher education research base;
- (d) provide recommendations to CPCA with regard to the staffing structure of the Operational Team in consultation with the Regional Hub Manager and Section 73 officer of CPCA;
- (e) approve the criteria for selection/prioritisation of pipeline projects;
- (f) make decisions based on the scrutiny of individual project support proposals (approve allocation of technical/consultancy project support);
- (g) approve bids to BEIS for tools to support capability building; and
- (h) utilise existing CPCA governance structures to deliver the RCEF scheme;
- (i) make final decisions for allocations of the RCEF scheme (through the Hub

Board or subordinate group thereof);

(j) comply with the Assurance Framework.

6.3. The Hub Board shall ensure that the Energy Hub has:

- (a) a suitable financial model;
- (b) appropriate delegated authority and agreed financial thresholds;
- (c) the appropriate strategic direction in accordance with the MOU;
- (d) robust frameworks for the operation of the Hub;
- (e) monitor and evaluate progress against the objectives defined in the MOU;
- (f) an agreed communication strategy; and
- (g) clear plans for self-sustainability by the Exit Date.

6.4. The Hub Board shall act in an advisory capacity to the Accountable Body in relation to the Section 31 funding agreement requirements. All decisions concerning financial models or that have a financial impact will be undertaken by the Hub Board with approval from the Section 73 officer.

6.5. The Hub Board shall be required to approve:

- 6.5.1. the allocation of financial resources by the CPCA, for project feasibility studies and the Hub Team;
- 6.5.2. the allocation of RCEF Grants;
- 6.5.3. decisions made regarding the allocation of any future funding delegated to the Hub.

7. LIMITATIONS OF LIABILITY

7.1. The Parties acknowledge and agree that the Hub Board shall not be liable for any decisions made under this Agreement.

8. FINANCIAL PROVISIONS

8.1. The CPCA Section 73 officer shall be solely responsible for the Energy Hub Grant with respect to compliance with the Section 31 grant agreements.

8.2. The CPCA shall be solely responsible for the decisions taken by the Hub Board in respect of the allocation of the RCEF grants and allocation of financial resources by CPCA.

8.3. ***Distribution of Funds*** - the financial contribution of BEIS shall be distributed by the Accountable Body, with the approval of the Hub Board. For the avoidance of doubt, the expectation is that the Accountable Body shall have made commitments to spend the Grant by no later than **31 March 2020**.

8.4. ***Justifying Costs*** – In accordance with its own usual accounting and management principles

and practices, each project shall be solely responsible for justifying its costs with respect to the feasibility studies prepared for consideration by the Hub Board. No Party shall be in any way liable or responsible for such justification of costs towards the CPCA.

Notwithstanding the foregoing, the Consortium, local authorities and other organisations shall be permitted to make financial contributions to Accountable Body to augment or extend the duration of the services offered by the Energy Hub provided always that the Accountable Body does not profit in any way whatsoever from the use of the Grant

- 8.5. In the event the Funds are not used in their entirety to achieve the objectives set out in the MOU between BEIS and the CPCA - the CPCA shall enter into discussions with BEIS to reach agreement on how best to utilise the underspend in line with the objectives agreed under the MOU, and if agreement cannot be reached, the CPCA shall repay the unspent Funds to BEIS
- 8.6. **Record Keeping** – the Accountable Body shall, in accordance with the MOU, keep all records relating to any spend funded by the Funds for a period of ten (10) years from the Effective Date
- 8.7. **State Aid** - the Accountable Body shall ensure that use of the Funds is in compliance with all State aid rules
- 8.8. **Procurement** - the Hub Board shall ensure that in delivering the Projects, the Energy Hub is compliant with all relevant requirements of law relating to public procurement

9. OBLIGATIONS OF PARTIES

- 9.1. Each Party agrees:
 - 9.1.1. to use all reasonable efforts towards the successful operating of the Consortium and at all times to conduct itself in a fair and proper manner in all transactions of any nature effecting the Consortium;
 - 9.1.2. to use all reasonable efforts to comply with the commitments and principles set out in the MOU, thereby enabling the Accountable Body to fulfil its obligations under the MOU;
 - 9.1.3. not to disclose Confidential Information to any third party without the prior written consent of all the other Parties; for the avoidance of doubt and for the purposes of this Agreement, consultants shall not be deemed as third parties but must be bound by obligations of confidentiality at least as restrictive as the ones contained herein;
 - 9.1.4. that no other members will be added to the Consortium without the express prior written approval of all of the Parties;
 - 9.1.5. to keep proper records of all business transacted by or on behalf of the Consortium;
 - 9.1.6. to comply with all regulations, professional standards and other provisions about the conduct of the Consortium's business generally, including any directions made from time to time by the Hub Board.

10. ENTIRE AGREEMENT

- 10.1. This Agreement contains the whole agreement between the Parties relating to its subject matter and supersedes all prior discussions, arrangements or agreements that might have taken place in relation to this Agreement. Nothing in this clause limits or excludes any liability for fraud or fraudulent misrepresentation.
- 10.2. Each Party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

11. VARIATION

- 11.1. No variation to this Agreement will be valid or binding unless it is recorded in writing and signed by or on behalf of each of the Parties.

12. NOTICES

- 12.1. Any notice given to a Party under or in connection with this Agreement shall be in writing and shall be delivered by hand or by pre-paid first-class post or other next working day delivery service at that Party's address as set out at the beginning of this Agreement. The notice must be addressed to the Party's most senior official.
- 12.2. Any notice shall be deemed to have been received:
 - 12.2.1. if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address; and
 - 12.2.2. if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second (2nd) working day after posting or at the time recorded by the delivery service.
- 12.3. A notice given under this Agreement is not valid if sent by e-mail or fax.

13. THIRD PARTY RIGHTS

- 13.1. The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement and no third party will have any right to enforce or rely on any provision of this Agreement.

14. MISCELLANEOUS

- 14.1. **Data Sharing** - the Parties must comply with all applicable requirements of Data Protection Legislation, when sharing data about the Energy Hub internally, with each other or BEIS.
- 14.2. **Redundancy Liability** – in the event of any Hub Employees being made redundant for whatever reason, the CPCA as the Accountable Body and as the employer of the Hub Team shall be liable to make redundancy payments from the Grant, where such Hub employees fulfil all the criteria required by the Statutory Redundancy Payments scheme.

15. GOVERNING LAW AND JURISDICTION

- 15.1. This Agreement shall be governed by and interpreted in accordance with the laws of England

and Wales.

- 15.2. All disputes arising under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of England and Wales.

16. COUNTERPARTS

- 16.1. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Signature:

Date:

Name:

Title:

BUCKINGHAMSHIRE THAMES VALLEY LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

ENTERPRISE M3 LIMITED

Signature:

Date:

Name:

Title:

HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

OXFORDSHIRE LOCAL ENTERPSIRE PARTNERSHIP

Signature:

Date:

Name:

Title:

LONDON ECONOMIC ACTION PARTNERSHIP

Signature:

Date:

Name:

Title:

ESSEX COUNTY COUNCIL

Signature:

Date:

Name:

Title:

SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

THAMES VALLEY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP

Signature:

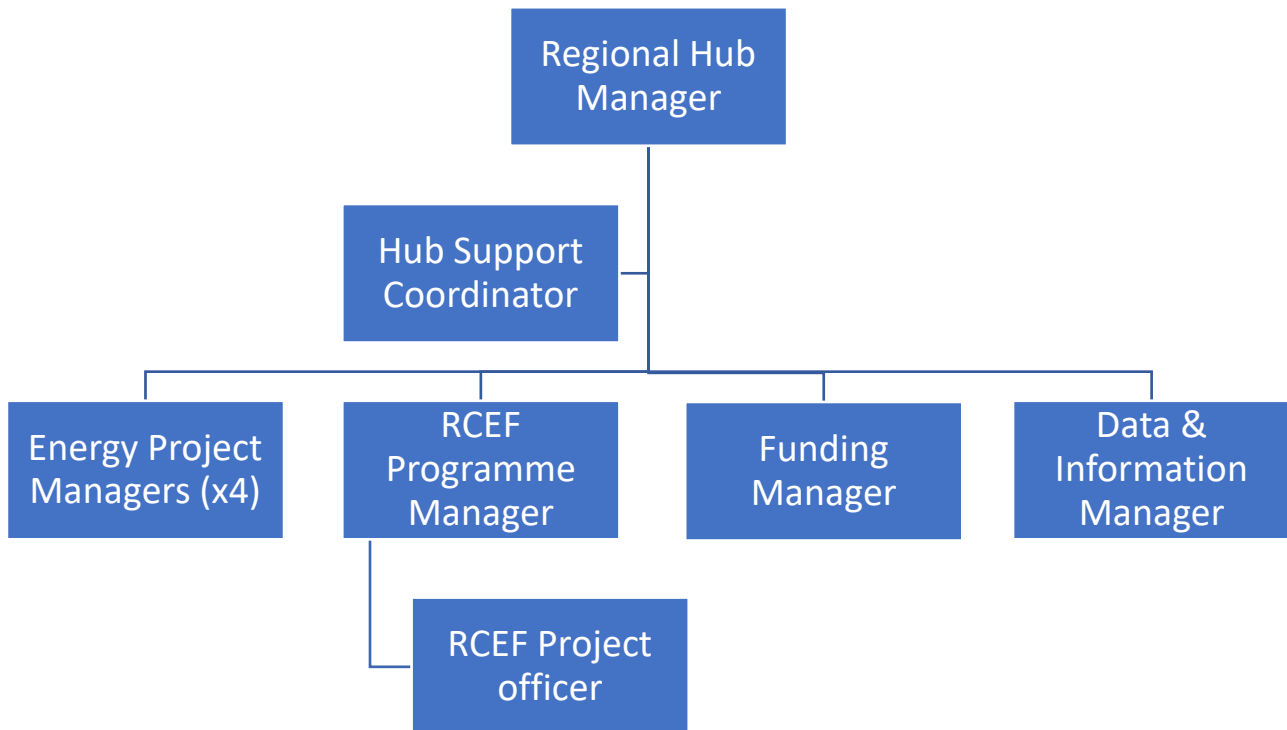
Date:

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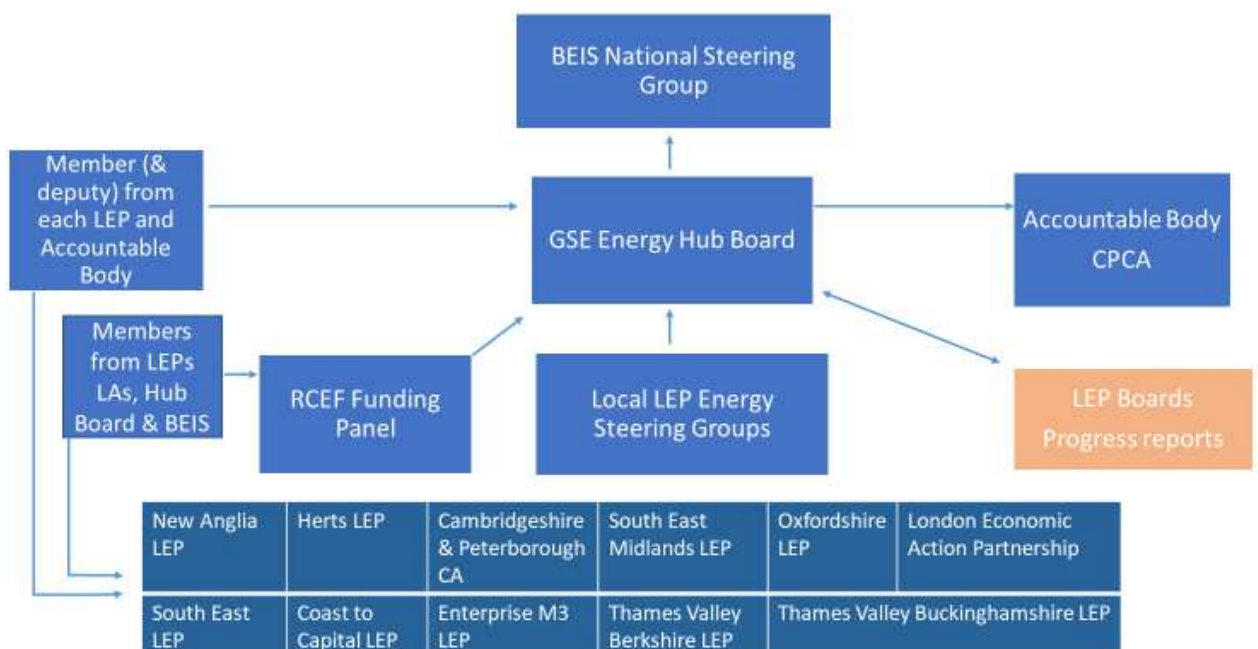
Title:

SCHEDULE 1

ENERGY HUB ORGANISATIONAL STRUCTURE



ENERGY HUB GOVERNANCE STRUCTURE



SCHEDULE 2

HUB BOARD MEMBERS

LEP Area	Primary	Deputy
Buckinghamshire Thames Valley	Ed Barlow	Ian Barham
Coast to Capital	Matthew Wragg	t.b.c.
Enterprise M3	Jennie Pell	Rachel Barker
Cambridgeshire & Peterborough	Domenico Cirillo	Sheryl French
Hertfordshire	Andy Lee	Paul Witcombe
New Anglia	Lisa Roberts	Ellen Goodwin
Oxfordshire	Victoria Fletcher	Sarah Gilbert
Greater London	Rachel Cary	Jon Buick
South East	Adam Bryan	Carolyn McKenzie
South East Midlands	Claire Ackroyd	Arthur Le Geyt
Thames Valley Berkshire	Ben Burfoot	t.b.c.
Cambridgeshire & Peterborough (Accountable Body - non-voting)	Robert Emery	

SCHEDULE 3

HUB BOARD TERMS OF REFERENCE

To be added in final version

SCHEDULE 4

HUB EMPLOYEES & ROLES

- **Regional Hub Manager** - principal Energy Hub ambassador, operational lead and line manager for the other seven staff.
- **Four (4) Energy Projects Managers** - project identification, stakeholder engagement and project delivery readiness key account managers who will each cover an approximate area equivalent to four counties plus all will cover Greater London.
- **Data and Information Manager** - principal responsibility for setting up, maintaining and providing analysis on systems that contain energy data, stakeholder information, related project summaries, funding options and key sector specific organisations. Key technical researcher for the Hub; responsible for GDPR.
- **Hub Support Co-ordinator** – administrative/operational manager for the Energy Hub; first point of contact via telephone, email and website for new contacts; responsible for the communications plan, meetings, events, workshops and seminars.
- **Funding Manager** - assessor of potential projects for funding viability, securer of funding streams, researcher of innovative funding solutions for projects and groups thereof.
- **Rural Community Energy Fund Programme Manager** – principal responsible for the administration and management of the RCEF fund, grant governance, grant assessment and secretariat to the funding panel.
- **Rural Community Energy Fund Project Officer** - providing the community engagement function, project development support and feasibility study management.

SCHEDULE 5

- 1) MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA**
- 2) VARIATION TO MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA**
- 3) MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA (RECF)**

To be added in final draft

SCHEDULE 6

CPCA ASSURANCE FRAMEWORK

To be added in final draft

GSE ENERGY HUB PROJECT ASSESSMENT FRAMEWORK

STAGE 1: Project Planning & Development

Strategic Project Identification & Development

The Local Energy Strategies set the strategic direction for the respective LEPs and provide the basis for identifying, developing and prioritising local energy investment in the region. The Hub will develop a project pipeline aligned with these strategies and the objectives set by BEIS, the funding body for the Hub.

The objectives of the Hub are to:

- Increase number, quality and scale of local energy projects being delivered
- Raise local awareness of opportunity for and benefits of local energy investment
- Enable local areas to attract private and/or public finance for energy projects
- Identify working model for teams to be financially self-sustaining after first two years

The operational team will identify and prioritise local energy projects for support, undertake initial stages of development for priority projects and programmes and take a collaborative and coordinated approach across multiple LEPs.

This Programme will play an important role in delivering aspirations for sustainable and low carbon energy outlined within the Energy Strategies, Strategic Economic Plans and Local Industrial Strategies of the [no. of] LEP areas across the GSE Energy Hub and through the Hubs direct contact with stakeholders.

The GSE Energy Hub Board will prioritise projects that demonstrate:

- Strategic benefit across the Hub area
- clear strategic fit to LEP plans and objectives
- achievement of a balance of breadth of projects
- achievement of a balance of risk (routine/ambitious)
- clear additionality and not duplicating, competing with or replacing existing initiatives
- contribution toward the Hub KPIs including value of projects, funding secured, energy saved/generated, carbon saved, increased GVA, new jobs and skills
- deliverability
- consideration of ability to contribute financially, where appropriate, to support long term sustainability of the Energy Hub
- an acceptable risk register/profile

Each individual partner LEP and the Energy Hub Delivery Team is responsible for overseeing the identification and development of strategically important projects over a 2 year programming period.

Processes

Pipeline Development

Potential projects will be identified through Local Energy Strategies, partner LEPs and direct contact with stakeholders. Project information will be collated and sent to the Energy Hub.

First Sift

Project Review: All projects will go through an initial sifting process, being assessed to check whether they meet the minimum criteria:

- **Strategic fit** – the objectives and impacts need to be aligned with the LEPs Local Energy Strategies, Strategic Economic Plans and/or Local Industrial Strategies.
- **Resource Required** – the type of support or resource required from the Hub is aligned with project type and stage and available Hub resource. Requests for support from the Hub can include human resource and technical support funding.
- **Financial Requirement & Funding Sources** – Details of funding sources identified for the project. Where projects are stalled due to lack of resource or technical expertise to deliver, the project promoter should demonstrate senior officer support for the project.
- **Deliverability** - The project should be affordable and deliverable within a clearly defined timescale.

The initial sifting process will be undertaken by the Hub's Energy Project Managers. Any projects that do not have strategic fit and perform poorly against the criteria will not be taken further, with feedback being given to the project promoter. Projects meeting the minimum criteria does not guarantee that Hub support will be approved.

Projects that meet the minimum criteria will be allocated to the project pipeline relating to the type of project, project stage, timescale and type of resource required. Energy Project Managers will identify clear opportunities for collaborative projects, where opportunities are identified these projects will be developed into a draft thematic programme for the GSE Hub region. Synergies will then be assessed with the other four Energy Hubs at a national level, with the objective of maximising effective deployment of resources.

Strategic Prioritisation

This will include, but is not limited to:

- Alignment with Energy Strategies from multiple LEPs in the GSE region.
- Projects that are beyond the capacity of individual LEPs to deliver e.g. projects that are currently not economically viable, for example, due to technologies or business practices.
- Projects that demonstrate achievable benefits that are aligned with the Hub objectives.
- Projects that address common market failures, for example, where energy investment would unlock economic development opportunities.

Projects that require technical support (external consultancy) will be sent an Additional Information form. The Hub will endeavour to make resources available to assist with the compilation of information. Where opportunities have been identified to group projects with common needs and themes into programmes, the Hub team will work with project promoters to develop a potential Hub offer. The level of detail required will be proportionate to resources and funding required.

Technical Support Project Appraisal

Projects that are allocated to the project pipeline will be prioritised according to the Hub's Assessment Framework. This includes, but is not limited to:

Strategic Fit

- Clear strategic fit to LEP plans and objectives.
- Reflect common themes/challenges/opportunities from across the Hub region which could benefit multiple areas.
- A clearly identified challenge to delivery which the Hub can support the resolution of.

Deliverability

- A clear governance structure and delivery capacity.
- Sufficiently advanced to deliver in the relevant timeline.
- A clear case should be made for Hub support, identifying what barriers the Hub could help overcome. A business case will include a strategic case, economic case, commercial case, financial case and management & legal case.

- Senior commitment from the LEP/LA.
- An acceptable risk register/profile.
- State Aid compliant.

Additionality

- Hub intervention will improve the likelihood of delivery and/or the quality of the project.
- A clear process to achieve metrics and contribute to the Hub's Key Indicators.

Economic, Environmental & Social Benefits

- Demonstrating how impact will be maximised across LEP area, particularly in employment and economic growth as well as environmental impact and in other relevant aspects.
- Unlocking further investment and/or access to other funding streams.
- Provide Value for Money (carbon/energy).
- Drive demand for further economic, environmental and social objectives.
- Consideration of ability to repay funding, where appropriate.

Priority projects will be agreed with the Energy Hub Manager for further development.

Project Recommendations:

A report setting out the Hub's recommendations will be submitted to the Hub Board. The Hub Board will consider and recommend projects to be supported directly by the Hub and/or to enter subsequent due diligence. The Hub Board will also make recommendations for further action for projects that cannot be supported directly by the Hub but may be eligible for support from another delivery partner.

All projects recommended by the Hub are subject to the Hub's project appraisal and approval and procurement processes.

The Hub as delivery body takes responsibility for ensuring effective delivery including where subcontractor delivery bodies have been appointed.

The Hub Board reserves the right to decide not to include a project in the prioritisation process if key information is missing or it is not based on a robust set of assumptions.

Stage 2: Due Diligence & Project Approval

The Hub Board will consider the recommendations for both support to individual projects and collaborative commissions led by the Hub at six weekly Board.

Any decision made by the Hub Board which is made in contravention of the process will be invalid on the basis of non-compliance unless the Board has given prior approval for variation in the decision-making process.

Recommendations approved by the Hub Board that require due diligence will require the project promoter to complete a due diligence form, following satisfactory due diligence by the CPCA Section 73 officer and approval from the Hub Board the project will proceed to Funding Agreement.

Project Funding Agreement

Where technical funding support has been approved, decision plus conditions (if relevant) will be conveyed to the applicant through legal grant award letter issued by CPCA as Accountable Body.

The Hub will procure and sign off collaborative projects through CPCA as Accountable Body.

Stage 3: Delivery, Monitoring and Evaluation

Individual project managers will oversee project delivery, monitoring and evaluation.

CPCA will oversee monitoring and evaluation of the GSE Energy Hub programme and report to relevant stakeholders as necessary.

The Hub Board will receive updates on progress and recommendations.

Stage 4: Project Closures

The Hub Board will receive and agree project closure reports.

CPCA will oversee Hub Board agreed project closure reports (financial and practical) provided by the Regional Hub Manager.

A programme evaluation will be performed towards at the end of the initial funded phase of the Energy Hub.

Governance

All project support enquiries, pro-forma support and casework is delivered through Energy Project Managers and support staff employed by CPCA. The EPMs are supported by the Regional Hub Manager.

The Regional Hub Manager will review projects, identify synergies and make recommendations to the Hub Board.

The Hub Board are the decision-making body for the approval (or otherwise) of recommendations made by the Regional Hub Manager.

Project approvals are only made through a majority decision by the Hub Board which comprises one representative from each LEP.

Due diligence of grant applicants is completed by the Hub and CPCA Section 73 Officer.

Requests for payment are submitted by the applicant/Hub as formal claim process, reviewed by the Hub and payment is approved by Section 73 Officer at CPCA.

Accountability

CPCA is the Accountable Body for the Hub.

CPCA provides the legal support to prepare suitable grant documentation for each approved project.

CPCA provides the procurement support to prepare suitable specifications for works commissioned directly by the Hub.

DRAFT GSE Energy Hub Project Assessment Framework

Project Stage	Steps	GSE Energy Hub Role
STAGE 1 Project Planning & Development	GSE Energy Hub Project Managers	First sift of project applications/pipeline to identify energy projects of interest to the GSE Energy Hub using the Decision Tree. This includes but is not limited to: <ul style="list-style-type: none"> Strategic fit with LEPs Energy and Economic or Industrial Strategies Resource requested meets the Hubs objectives and available resources Funding or finance identified or demonstration of senior management support Project delivery timeframe Projects that meet the minimum criteria will be added to the project pipeline spreadsheet. Projects that are not suitable will be given feedback and signposted to other sources of support.
	GSE Energy Hub Team	First sift, using decision tree, of low carbon projects that meet the minimum criteria to identify clear opportunities for collaboration and efficiencies of scale.
	Energy Hub Manager	Projects prioritised for internal Hub staff support will be approved by the Hub Manager and allocated a lead Energy Project Manager.
	Regional Energy Hub Leads	Where practicable, projects passing first sift process and identified as high potential for cross Hub collaboration and efficiencies will be discussed with Hub Leads to identify opportunity for collaboration over multiple Hubs.
	Energy Hub Manager	Projects that meet the minimum criteria and require technical support will be sent an additional information form for completion. This will include an indication of the type of support that may be expected from the Hub, for example where projects are identified for a collaborative approach the Hub is likely to commission consultancy on behalf of multiple projects.
	GSE Energy Hub Manager	Scoring of technical support projects using the GSE Assessment Framework. The GSE Energy Hub Programme Manager will consider and recommend projects to be supported directly by the GSE Energy Hub. The GSE Energy Hub Manager will also make recommendations for further action for projects that can not be supported directly by the GSE Energy Hub. <ul style="list-style-type: none"> Energy projects that are aligned with the Energy Strategies from multiple LEPs within the GSE Energy Hub Energy projects that demonstrate opportunity deliver [SMART] benefits Projects that are beyond the capacity of individual LEPs/LAs/private sector to develop e.g. due to resource constraints, lack of technical knowledge, funding gap Energy projects that address common market failures for example where energy investment would unlock economic development opportunities, or supports innovation
	GSE Energy Hub Board	The GSE Hub Board will consider and make decisions on the project recommendations of the GSE Energy Programme Manager.
STAGE 2: Due Diligence & Project Support Agreement	Due diligence	Project Managers will undertake due diligence of projects and owners to assess key challenges to development and likelihood of achieving a successful outcome
	Project Support Agreement in place. Project is able to proceed.	A standard Agreement will be used, reflecting specific project conditions to be signed by all parties. This will detail the support to be provided, timeline, requirements of each party, monitoring and process when support ends.
STAGE 3: Delivery, Monitoring and Evaluation	Monitoring includes claims and verification checks and progress update reports.	GSE Energy Hub delivery team will oversee project development, monitoring and evaluation.
	Monitoring includes claims and verification checks and progress update reports.	GSE Energy Hub Programme Manager will oversee day to day delivery of the Programme. Additional monitoring and evaluation of the GSE Energy Hub programme will be aligned to the approach used by Cambridge & Peterborough Combined Authority reporting to relevant stakeholders as necessary. A GSE Energy Hub Communications Plan will ensure key progress and delivery updates are given to stakeholders.
	GSE Energy Hub Board	Will receive updates on progress and recommendations
	GSE LEP Chairs	Will receive updates on progress and recommendations
STAGE 4: Project Closure	This includes closure on both financial and practical matters.	GSE Energy Hub will oversee both financial and practical closure of the current programme. A Programme Evaluation will be performed at the end of the project.

DRAFT GSE Energy Hub Project Assessment Framework

		In order to effectively evaluate the GSE Energy Hub programme, an initial baseline will be developed.
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BUSINESS BOARD	AGENDA ITEM NO: 4.3
23 SEPTEMBER 2019	PUBLIC REPORT

LOCAL INDUSTRIAL STRATEGY DELIVERY PLANS

1.0 BACKGROUND

1.1. In May 2019, the Business Board and Combined Authority Board approved a Strategic Outline Business Case (SOBC) to establish three new business support services, approved as part of the Local Industrial Strategy. These services included:

- An ***Inclusive Growth Service***, to engage our highest potential growth firms to better support them to accelerate their growth, increase their capacity and capability for growth, sustain their period within growth, or all three. The service was proposed to be delivered in each of our three sub-economies in a tailored manner to better spread growth more evenly across our total economy.
- An ***Inward Investment Service***, to extend our reach into key global markets, to engage and persuade both overseas firms and those from elsewhere in the UK, to locate into our economy or invest in our strategic projects to increase our employment space, develop our transport infrastructure or establish our new university.
- A ***Skills Service***, to provide a more effective brokerage between young talent and those retraining or progressing in a career, our employers and our skills providers, to improve the supply of skills to better enable growth.

1.2. **To finance the services**, it was proposed to construct a broad funding strategy that combined funding allocated for use by the Business Board, such as Enterprise Zone business rate receipts, staff costs, Local Growth Funding (LGF) and Growing Places Funding (GPF), with external funding from DWP and MHCLG in the form of European Social Funds (ESF) and European Regional Development Funds (ERDF).

1.3. **To mobilise the services**, it was proposed that a Growth Company should be established to recruit and manage expert and specialist staff to deliver all three services.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of the Business Board
Lead Officer:	John T Hill, Director of Business & Skills
Forward Plan Ref:	Key Decision: No
<p>The Business Board is recommended to:</p> <ul style="list-style-type: none"> (a) Note the revised Financial Strategy; (b) Note the revised Commercial Strategy; and (c) Approve the submission of an application to the Local Growth Fund for equity investment into the Growth Company. 	

2.0 PURPOSE

- 2.1. To outline the changes to the Strategic, Financial and Commercial Cases within the development of the SOBC into an OBC
- 2.2. The SOBC envisaged that work would continue over the summer to develop, evidence and validate the delivery plans for the three services. Progress on this has been significant and this update is designed to report to Business Board and Combined Authority Board Members, the changes to the SOBC proposals for a Growth Company that are being considered. These changes include:
 - **The development of the strategic case** to include in addition to the three core services, the potential £15m budget for a Capital Growth Grant (approved as a pilot in May), along with a £1m budget for an Innovation and Relocation Grant (as specified in the LIS).
 - **The development of the financial case** to adapt to the Combined Authority's auditors' re-designation of the Growing Places Funding (GPF), returned from repaid project loans, from revenue to capital. This has necessitated the development of a solution to replace the £5m GPF revenue component of the SOBC funding strategy, using a method to convert an application to the Business Board for capital funding from the Local Growth funding (LGF) to revenue funding, through an equity investment into the Growth Company. This will necessitate CPCA officers submitting an application for around £5m from the CPCA's Growth Company, to the Local Growth Fund, for equity investment into the Growth Company in order to create a revenue fund with which to potentially procure providers or directly deliver the services.
 - **The development of the commercial case** based on evidence gathered since May around the potential viability and benefits of procurement by the

Growth Company of private sector providers to deliver the Business Growth Services, versus recruitment into the Growth Company, of new and existing CPCA staff, to deliver the services.

- 2.3. CPCA officers propose to complete local sub-economy Delivery Plans and include these in market engagement with prospective private sector providers of the five services, in order to build an evidence base for an OBC in November, in turn for a final recommendation for delivery through procured providers to Growth Company, rather than recruited staff to it.
- 2.4. A more detailed explanation of the changes described is provided within Appendix 1.

3.0 FINANCIAL IMPLICATIONS

- 3.1. No significant implications.

4.0 LEGAL IMPLICATIONS

- 4.1. No significant implications.

5.0 IMPLICATIONS FOR NATURE

- 5.1. None.

6.0 OTHER SIGNIFICANT IMPLICATIONS

- 6.1. None.

7.0 APPENDICES

- 7.1. Appendix 1 - Update on the Local Industrial Strategy Delivery Plans & Mobilisation Strategy

Appendix 1

The Cambridgeshire & Peterborough Growth Company

UPDATE ON BUSINESS CASE DEVELOPMENT

The Development of the Strategic Case

The Local Industrial Strategy sets out a wide range of business support and associated skills interventions that are aimed at stimulating and then enabling and supporting business growth. These are summarised below.



The SOBC stipulated that the Delivery Plan for the Growth Company would be developed in consultation with officers in the seven local authorities, in order to tailor the services to the specific needs of the three sub-economies. The results of this consultation process have identified the importance of a number of key features in how the Business Growth Services should be delivered:

1. **Firms should be engaged into all the services available through a “single front door”** to avoid business leaders being contacted multiple times by sales teams promoting different services
2. **Firms should be provided with an integrated offer** and not be required to navigate the CPCA’s and other existing similar services in a piecemeal manner. The offer should be in the form of a bespoke package able to meet diverse customer needs across a portfolio of services.
3. **Firms should be provided with growth funding alongside growth advice** by adding the two growth grants specified in the list to the portfolio of services, including;
 - a. **A Capital Growth Grant** to co-invest in growth through organic expansion, paying for new equipment and larger premises to meet increased market and customer demand.
 - b. **An innovation & relocation grant** to co-invest with small firms in the costs of accessing; R&D funding from UK and EU agencies for new product development; or investment for new build employment space and help with planning permissions.

The goals and delivery approach for this fully integrated service have been agreed with local authority officers as being required to be focused differently in each of the three sub-economies. The different needs of each sub-economy are summarised overleaf.

Next Steps

The Business Board is asked to note that officers propose to complete the sub-economy Delivery Plans and include these in market engagement with prospective private sector providers of the five services, to build an evidence base for the OBC, for a final recommendation for whether delivery should best be mobilised through recruited staff into the Growth Company or procured providers to it.

	Greater Peterborough	The Fens	Greater Cambridge
Growth Coaching Service	<p>Customer focus towards a mix of firms as follows: Size focus: 70% <10 emp; 20% 50 emp; 10% <250 emp</p> <p>Sector focus: Logistics, Construction, food and drink, Business Services, Digital, Environmental. Connectivity with proposed Manufacturing Network for improved access to firms</p> <p>Need deliver partners with strong coach connections, sales processes growth barrier diagnostic software</p>	<p>Customer focus: Consider adopting a lower growth threshold for firms in fens</p> <p>Emphasise network building amongst firms and better connecting them into District Councils</p> <p>Focus specifically on Agri-Food Sector Supply Chains</p>	<p>Sector focus: Life Sciences, Digital, Adv Manufacturing</p> <p>Size focus: strong emphasis on micro businesses</p> <p>Recognition of different needs between city and rural firms</p> <p>Strong use of existing business networks inside Cambridge, with clarity for the customer on what is already available and what value the proposed services add to existing support.</p> <p>Careful monitoring of take-up with ability to flex and adapt services and growth ambition thresholds of customers.</p> <p>Need delivery partner, familiar with supply chain growth models such as those used in collaborative R&D, AMSC Sharing in Growth programme and U.S. models such as the Illumina Accelerator</p>
Inward Investment Service	<p>Hunts: Sector focus - precision technology, digital, paper and packaging, metal and composite materials manufacturing industries, logistics and e-commerce.</p> <p>Specific support for business in internationalisation and accessing new markets, as well as leadership and management training for SMEs in priority sectors esp if delivered at IMET</p> <p>Building sustainable support networks through coached firms becoming mentors to other firms, and collaborate to build shared capability supply chains in local clusters.</p>	<p>Targeted Scale-Up Relocation Packages for firms attracted from contiguous economies, along with Cambridge firms looking to scale-up, where cost of space and labour is becoming key to operational efficiency.</p> <p>Creation of bespoke packages of support for firms relocating into the Fens, including partnerships with developers to support expansion of business space availability.</p>	<p>Connectivity with local networks and services such as Cambridge & Linking wider scale-up support elements with inward locating firms and connecting them into clusters and networks</p> <p>Need to operate links with Dept for International Trade with single front door</p> <p>Target investors on to enterprise zone, new towns and new employment sites</p> <p>Packages for South Cambs sites for businesses moving out of Cambridge</p>
Skills Brokerage Service	<p>Connectivity with local networks and services such as Opp Peterborough</p> <p>Sector focus: food and drink, Logistics, Eng, Manufacturing</p> <p>Development of shared sector academies with Launchpad and capital grants</p> <p>Skills focus: Sales, business management, social media marketing, digital</p>	<p>Development of apprenticeship courses to better meet business needs, both now and into the future, including STEM.</p> <p>Develop stronger links with CITB on modern method construction</p> <p>Need delivery partner with ability to navigate business needs and educational attainment between local partners, FE/HE providers</p>	<p>Connectivity with local services such as the current GCP-led skills brokerage</p> <p>Development of apprenticeship courses based on CPER, Rand & Regeneris research.</p> <p>Importance of levy marketplace becoming efficient and spreading apprenticeships across sector clusters and supply chains, using strategic FE and independent providers.</p> <p>Developing employment centres such as Waterbeach brokerage</p> <p>Focus on to SMEs, especially those in Life Sciences in second cycle of growth.</p>
Capital Growth Grant	<p>Target customers already supported with advisory, coaching and skills services focusing on investments in the range of £50-£150k grant size</p> <p>Hunts: Grants and loans for rapid growth companies which often struggle to secure finance for newer bigger premises as their financial track record is not long enough. Funding an integrated approach between capital growth grants and firms involved in Launchpads, esp around IMET</p>	<p>Integrate with partners like CBRE to scale employment space investment.</p> <p>Coordinate individual investments to agglomerate into potential Wisbech and Charteris Enterprise Park Projects.</p> <p>Focus onto move-on accommodation particularly Wisbech</p>	<p>Create evaluation processes that focus investment onto firms caught up in a market failure, acting as an investor/lender of last resort, to avoid duplication with a currently buoyant angel equity investor market. Connect capital growth grants to firms supported by launchpad, especially those in new towns.</p>
Innovate & Relocate Grant	<p>Better linking Peterborough manufactures with Cambridge-based new product development consultants, using new and innovation grants to support collaborations. Target contract manufacturers for first own-product development, and traditional firms needing next generation offers.</p>	<p>Create Off-Plan Demand to link with Property Developers</p>	<p>Link firms receiving innovation grants with R&D grant proposal authoring experts in partner organisations such as TWI, ARU, IFM, UoC and Make UK</p> <p>Need delivery partner with experience in proposal writing at high success levels in both UK and EU</p>
Service Integration	<p>Essential for a single front door and fully integrate offering to all customers for all services, create bespoke packages to attract in local firms, relocators, investors and employment site developers</p> <p>Require an integrating partner with experience in >£20m consortium management, tools and techniques – Track record in delivering 100s pa SME engagements and 1,000s of jobs outcomes</p>	<p>Hunts: focus grants to support innovation and product development onto priority sectors</p>	

The Development of the Financial Case

The SOBC headline proposal to fund the original three services, detailed in Appendix 1, was estimated to cost £19.64m and proposed to use £2.196m of the CPCA Business Board's MTFP 2020-2023, plus £897k of Enterprise Zone receipts. The £2.196m was made up as follows;

1. Budget allocations for the implementation of the Local Industrial Strategy running for three years and consisting of £200k pa, of which we proposed to use £50k pa for 3 years (£150k).
2. Budget allocations for the implementation of the Skills Strategy running for three years and consisting of £150k pa, of which we propose to use £100k pa for 3 years (£300k).
3. £1,746k of budget allocations for the following staff which were proposed to be transferred into the Growth Company along side a majority of staff made up of new recruits.
 - a. Three FTEs from the Growth Hub, including all their costs paid by BEIS
 - b. One FTE Business Skills Manager
 - c. One FTE Strategic Funding Manager
 - d. 50% of the costs of the Chief Officer of the Business Board

The remaining £16.55m being leveraged from a combination of eight non-CPCA funds. These include match funding for CPCA investment in the form of:

1. Revenue funding from the Careers and Enterprise Company through a contract with the CPCA
2. **Revenue funding from the Growing Places Fund managed by the Business Board**
3. Capital funding from the Local Growth Fund managed by the Business Board
4. Revenue funding from the European Regional Development Fund managed by the MHCLG
5. Revenue funding from the European Social Fund managed by DWP
6. Revenue funding from South Cambs District Council offering match funding of a staff member
7. Revenue funding from income from SME customers of the Growth Coaching Service

Key amongst these was an application from the Growing Places Fund for £4,975k of revenue, that would be added to the CPCA funding and then offered as match funding in order to raise a further £6,336k of European Regional Development Fund and European Social Fund finance.

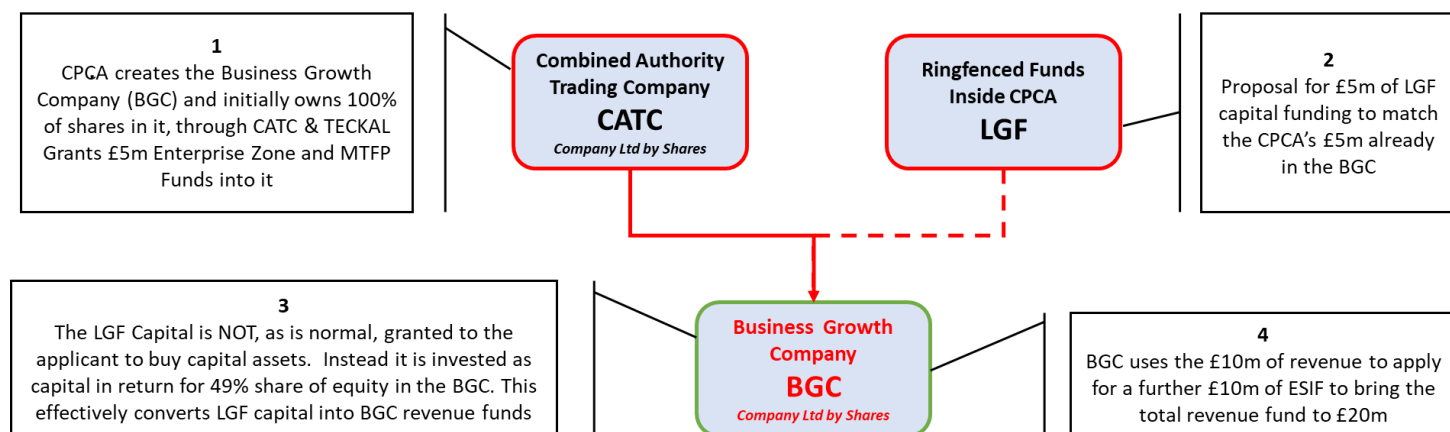
At the time of writing the SOBC, it was the view of the CPCA's Section 76 Officer, that the Growing Places Funding, previously provided by the Greater Cambridge & Greater Peterborough LEP, to local firms in the form of loans which had subsequently been repaid, could be designated as revenue in the CPCA's accounts, and reallocated to new projects as such. However, the CPCA's auditors, Ernst & Young, later ruled that this was not the case and that these funds must be considered capital.

This leaves a vital component of the revenue match funding arrangement, the £4,975k Growing Places Funding, missing from the SOBC proposed financial strategy.

Removing this vital building block in the match funding arrangement would leave only the £3,651k from the CPCA and its other local partners available for match funding to ESF and ERDF, reducing the scale of the business Growth service to around £7m from just under £20m. This, in turn would significantly reduce its ability to make a meaningful impact on spreading growth more inclusively across the three sub-economies.

The Proposed Solution to Create a Revenue Fund to Mobilise the Growth Services

Business Board officers, in partnership with CPCA legal and financial colleagues, and external advisors Pinsent Masons, have constructed and validated a method by which, the missing the £4,975k of Growing Places Funding, might be applied for, from the Local Growth Fund, in a manner that produces revenue funding within the Business Growth Company. The application process is illustrated below in rounded figures.



Note: Figures Approximate and rounded up

The above process is subject to the normal competitive application processes for LGF funding allocations. However, should that process prove successful, in return for an LGF investment of around £5,000k, the Business Growth Company would generate a net worth on its balance sheet of around £7.5m. This would be generated through Growth Capital Grant investments in to the population of 1,000 of the fastest growing firms in our economy, as customers of the Growth Coaching and Inward Investment services. As part of the portfolio offer, some of these scale-ups will be provided with investment capital from the Capital Growth Grant. Whilst the smaller investments will take the form of a grant, the larger investments will be provided in return for equity in the invested firms. Across the £15m of Capital Growth Grant budget, it is anticipated that around half, at an average value of £200k, will generate an equity investment portfolio, worth around £7.5m.

This equity portfolio will accumulate over three years onto the balance sheet of the Business Growth Company, providing a commensurate value for the LGF equity investment into the Company, as well as ongoing business activity in dividend receipts and equity sales, that will qualify the Company as a going concern.

Next Steps

The Business Board is asked to note that officers plan to submit an Expression of Interest on the basis above, to the Local Growth Fund during August and a full proposal in September. Match funding proposals to ESF and ERDF will be submitted in August and October respectively.

The Business Board is also asked to note that It is anticipated that indications of success or failure to secure these funding streams will be received during November, potentially in time to present an OBC to the Business Board and CA Board, for provisional approval to mobilise the Business Growth Service, between December and April 2020.

The Development of the Commercial Case

The SOBC included a basic level evaluation of the alternatives for mobilising the business growth service, with the funding assembled through the financial strategy. These being:

1. **Growth Company delivery using procured private sector providers**
2. **In-house CPCA delivery of all services by Officers**
3. **Growth Company delivery using recruited staff**

The following commercial criteria were used in the SOBC and a more in-depth evaluation was planned as part of the development of an OBC;

1. **Contractual complexity** – favouring proven, simpler commercial constructs with fewer contracts, interfaces and dependencies between parties;
2. **Risk** – based on an assessment specifically of the legal and commercial risks pertaining to the proposed and alternative outsourcing models and the risk of supplier failure;
3. **Value for Money** – to assess the likely value delivered from the options and whether a procured solution would stimulate sufficient competition to deliver good VFM;
4. **Service Quality** – to assess balancing the CPCA's requirement for control and flexibility with procured providers' or recruited staffs' ability to deliver the outcomes required;
5. **Use of Private Sector Capability** – to assess how well the different options exploit potential market capability in delivering the service;
6. **Attractiveness to Market** - to assess how commercially attractive each model is likely to be to potential suppliers, customers and partners.
7. **People Implications** – to assess the organisational, legal (TUPE), management, motivational and cultural impacts of the three alternative delivery models on:
 - a. CPCA staff employed in roles related to the Growth Hub, inward investment and skills engagement with businesses and providers
 - b. External staff employed by our contractors in those same fields, such as Opportunity Peterborough and Form the Future.
 - c. Constituent Local Authority staff employed in those fields, such as local economic development officers.

This basic evaluation within the SOBC, shown overleaf, concluded that there was marginal benefit between options 1 and 3. Hence, further work over the summer was proposed to strengthen the evidence base, in order to make a clearer recommendation.

Delivery Model Options Benefits-risk Analysis

Growth Service	Contractual Complexity	Risk	Value for Money	Service Quality	Use of Private Sector Capability	Attractiveness to Market	People Implications	Overall Rating
Procured Services From Commercial Marketplace	Bad	Medium	Medium	Good	Medium	Medium	Medium	Medium
In-house Local Government Officer Delivered	Good	Bad	Bad	Bad	Bad	Bad	Medium	Bad
Outsourced Delivery by Arms-Length Body The Growth Company	Medium	Good	Good	Good	Good	Good	Medium	Good
Investment Service	Contractual Complexity	Risk	Value for Money	Service Quality	Use of Private Sector Capability	Attractiveness to Market	People Implications	Overall
Procured Services From Commercial Marketplace	Medium	Medium	Medium	Good	Medium	Medium	Medium	Medium
In-house Local Government Officer Delivered	Good	Bad	Bad	Bad	Bad	Bad	Medium	Bad
Outsourced Delivery by Arms-Length Body The Growth Company	Medium	Good	Good	Good	Medium	Good	Medium	Good
STAR Hub	Contractual Complexity	Risk	Value for Money	Service Quality	Use of Private Sector Capability	Attractiveness to Market	People Implications	Overall
Procured Services From Commercial Marketplace	Medium	Medium	Medium	Good	Medium	Good	Good	Medium
In-house Local Government Officer Delivered	Good	Bad	Bad	Bad	Bad	Bad	Medium	Bad
Outsourced Delivery by Arms-Length Body The Growth Company	Medium	Medium	Good	Good	Medium	Good	Medium	Medium

Economic Case Benefits of for Options 1 & 3

The summary economic evaluation of the recommended delivery route, for a Growth Company with recruited staff, against the current methods of delivery are shown below. These include baseline comparisons between:

1. The proposed Growth Company with recruited staff model to deliver the Growth Coaching Service, compared with a scaled-up version of the current Growth Hub delivered with Officer staff by the CPCA.
2. The proposed Growth Company with recruited staff model to deliver the Inward Investment Service, compared with a scaled-up version of the current Opportunity Peterborough Ltd, procured Inward Investment Pilot contracted by Greater Cambridge Partnership.
3. The proposed Growth Company with recruited staff model to deliver the Skills Brokerage Service, compared with a scaled-up version of the current Form The Future Ltd, procured Skills Brokerage Pilot contracted by Greater Cambridge Partnership.

The results from the SOBC are set out below, showing gross ten-year benefits for each of the proposed services, over and above a scale-up of each at the current services.

	BAU	Growth Service	Incremental Difference	% Difference
Net Present Fiscal Cost	£699,747	£2,528,665	£1,828,918	261.4%
Net Present Value	£202,722,255	£623,041,002	£420,318,746	207.3%
Payback Period	Year 1	Year 1	0	0
Net Present Budget Impact	-£80,902,760	£168,627,729	-£87,724,969	108.4%
Financial Return of Investment	116.6	67.7	NA	-42.0%
Net Present Public Value	£121,119,748	£451,884,607	£330,764,859	273.1%
Overall Return on Investment	984.2	247.4	NA	-74.9%

	BAU	Inward Investment Service	Incremental Difference	% Difference
Net Present Fiscal Cost	£284,450	£1,747,523	£1,463,073	514.4%
Net Present Value	£26,799,709	£366,685,683	£339,885,974	1268.2%
Payback Period	Year 1	Year 2	-1 Year	100.0%
Net Present Budget Impact	-£3,869,962	-£11,922,523	-£8,052,561	208.1%
Financial Return of Investment	14.6	7.8	NA	-46.4%
Net Present Public Value	£22,645,298	£353,015,637	£330,370,340	1458.9%
Overall Return on Investment	95.2	210.8	NA	121.4%

	Form the Future BAU	New Skills Service	Incremental Difference	% Difference
Net Present Fiscal Cost	£651,391	£2,467,419	£1,816,028	278.8%
Net Present Value	£13,638,575	£34,181,982	£20,543,408	150.6%
Payback Period	Year 4	Year 5	-1 years	25.0%
Net Present Budget Impact	-£5,343,783	-£12,908,371	-£7,564,588	141.6%
Financial Return of Investment	9.2	6.2	NA	-32.3%
Net Present Public Value	£7,643,402	£18,806,192	£11,162,791	146.0%
Overall Return on Investment	21.9	14.9	NA	-32.0%

The costs for each service were based on the total cost to the CPCA, including direct costs from its MTFP and any contributions to the services from the Enterprise Zone receipts, as well as any indirect costs, such as those financed by funds the CPCA is the managing authority for; e.g. The Local Growth Fund and Growing Places Fund. Excluded from this comparison are costs that are met by sources external to the CPCA, such as from commercial income from businesses and external grants to either the Growth Company or its customers from the European Regional Development fund or European Social Fund. The headlines were that;

1. **The Growth Coaching Service showed a negative ROI** based on Officers' forecasts of the likely job creation outcomes from a Growth Company with recruited staff. This poor ROI was due, in the main, to the lack of evidence for what levels of business growth additionality was able to be generated by a cohort of recruited staff to the Growth Company. The comparison used established evidence from the current Growth Hub Service of an average of 0.6 jobs being created from each SME customer engaged, and a forecast job outcome rate per intervention of 1.5 jobs for the Growth company with recruited staff. The difference in outcomes was not able to outweigh the increased cost of the proposed new model.

Since, this work on the SOBC, officers have gathered further evidence that supports the benefits of a procured model. This is from a BEIS procured national Growth Coaching Service, showing an average of 2.6 jobs created per intervention. This procured model would provide sufficient additional job outcomes to produce a positive ROI.

2. **The Inward Investment Service** showed a positive ROI based on Officers' forecasts of the likely job creation outcomes from a Growth Company with recruited staff. Although this was modest.
3. **The Skills Service (STAR Hub) showed a negative ROI** based on Officers' forecasts of the likely job creation outcomes from a Growth Company with recruited staff. This poor ROI was due, in the main, to the high levels of performance of the currently procured skills brokerage, delivered on behalf of Greater Cambridge Partnership, by Form the Future Ltd. With little evidence for increases in outcome delivery from a cohort of recruited staff to the Growth Company, the lack of difference in outcomes could not outweigh the increased cost of the proposed new model.

Since, this work on the SOBC, officers have gathered further evidence that supports the benefits of a procured model. This is from the GCP procured, Form the Future Ltd delivery of the Greater Cambridge Skills Brokerage, that provides outcomes evidence to support the previously used contract forecasts for performance. This validates the higher VFM for the procured service above and beyond the Growth Company with recruited staff model.

Wider CPCA Benefits of Options 1 & 3

When presented to the Combined Authority Board, Leaders raised a number of concerns regarding officers' recommendation to mobilise the Business Growth Services, using a Growth Company to recruit and transfer staff into, as an "arms-length" delivery body of the CPCA.

In particular, the Mayor sought assurances from officers that the effort to create a new CPCA subsidiary and recruit expert staff into it, as well as to transfer out;

- a. **All the Growth Hub staff (John Stenhouse & two others)**, currently delivering most of the BEIS contracted outcomes from the Business Board;
- b. **The Business Skills Manager (Fiona McGonigle)**, currently establishing the apprenticeship levy marketplace;
- c. **The Strategic Funding Manager (Steve Clarke)**, currently administering the LGF budget
- d. **Half of the resource of the Chief Officer of the Business Board (John T Hill)**

Would not have any diversionary or diluting impact on other CPCA priority projects including;

- 1. **University of Peterborough** with construction underway in 2021 confirmed new curriculum that meets needs and ready to open no later than 2022.
- 2. **Market Town Masterplans** to be completed in 2019, with clear deliverables flowing through the Stronger Towns funding to be allocated to the CPCA in 2020
- 3. **Adult Education Budget** showing clear evidence of a stronger delivery focus on the Local Industrial Strategy, less on leisure learning and those with higher level qualifications, and more on Fenland and Peterborough and on those with lower level qualifications.
- 4. **Business Board Local Growth Fund** demonstrating that the majority of funding has been allocated to local businesses, with an improved dragons den style process and greater VFM.

Since the SOBC, officers have responded to this challenge by carrying out a resources review to test the business board officer cohort's ability to deliver mobilisation of the LIS as well as delivery of the four wider CPCA objectives. This included four tests of whether:

- 1. The CPCA priority projects were achievable and if not, whether alternative delivery approaches and milestones were appropriate.
- 2. The Director could, going forward, commit enough personal time in an appropriate manner to the achievement of these goals.
- 3. The directorate staff had adequate resources in place to realise these goals, and if not, if there were opportunities to reallocate resources from non-priority activities.
- 4. The residual services were being managed effectively to meet other CPCA obligations to agreed devolution deal, strategies, statutory responsibilities and Board decisions.

The resulting conclusions were that the mobilisation of the Growth Company, using transferred CPCA staff as above a to d, could introduce significant risk to the achievement of CPCA priorities 1 to 4.

Officer Confidence in Recruiting to Option 3

Since the SOBC, the officer team has carried out an in-depth assessment of the resources needed to establish an operational delivery company and recruit sufficiently expert and experienced staff to it, to be able to deliver the services defined in the SOBC. This included testing the market for expert staff to help mobilise the Growth Coaching Service, with an advertising campaign on LinkedIn, Indeed and Times Jobs for an offer of a salary grade of up to £80k. This resulted in no sufficiently qualified or experienced candidates being attracted to the CPCA

The conclusion of this recruitment exercise was to significantly reduce officer confidence levels in the Growth Company as an effective vehicle to attract and recruit a total of 25 sufficiently expert staff to deliver the SOBC jobs and skills outcomes.

Officer Confidence in Procuring to Option 1

Since the SOBC, the officer team has carried out informal market testing throughout the course of July and August and is scheduled to carry out more formal Market Consultation over September and October. This has included gathering evidence from the following prospective bidders for the procurement of the portfolio of services. Those involved in this informal market testing included:

- | | |
|-------------------------------|--|
| 1. Oxford Innovation Ltd | Providers of Growth Coaching under contract to BEIS |
| 2. East Midlands Business Ltd | Providers of Global Growth Coaching under contract to DIT |
| 3. Exemplas Ltd | Providers of Global Growth Coaching under contract to DIT |
| 4. Ngage Ltd | Providers of Growth Coaching under contract to ERDF |
| 5. Inst for Manufacturing | Providers of Growth Coaching under contract to BEIS/AMSCI |
| 6. TWI Ltd | Providers of Growth Coaching for Hi-Techs through EC/I-UK |
| 7. Opportunity Peterborough | Providers of Skills & FDI services under contract to CPCA |
| 8. Form the Future Ltd | Providers of Skills Brokerage services under contract to GCP |
| 9. Cambridge & | Prospective providers of FDI services |

The conclusion of this market testing exercise was to significantly increase officer confidence levels in the Growth Company as an effective vehicle to sufficiently expert providers with staff in-place, to deliver the SOBC jobs and skills outcomes.

Next Steps

The Business Board is asked to note that officers plan to carry out a formal Market consultation with the above and more prospective bidders, to deepen the evidence base and provide further confidence in a potential recommendation for the OBC, to mobilise the Business Growth Service, through Option 1, Growth Company delivery using procured private sector providers.

Appendix 1: The sources of funding proposed in the SOBC

Total Project Funding - Growth Service	£2,859,000	£3,859,000	£4,954,000	£11,671,999	100%
Proportion of total funding from CPCA staff budget	£372,000	£372,000	£372,000	£1,116,000	10%
Proportion of total funding from EZ receipts	£45,000	£65,000	£110,000	£220,000	1.9%
Proportion of total funding from Growing Places Fund	£725,333	£922,000	£1,138,667	£2,786,000	24%
Proportion of total funding from Local Growth Fund	£50,000	£0	£0	£50,000	0.4%
Proportion of total funding from ERDF	£666,667	£1,000,000	£1,333,333	£3,000,000	26%
Proportion of customer contributions to services provided	£1,000,000	£1,500,000	£2,000,000	£4,500,000	39%
Total Project Funding - Inward Investment Service	£1,224,000	£1,330,000	£1,254,000	£3,808,000	100%
Proportion of total funding from CPCA staff budget	£100,000	£100,000	£100,000	£300,000	8%
Proportion of total funding from SCDC staff budget	£66,000	£66,000	£66,000	£198,000	5%
Proportion of total funding from EZ receipts	£30,000	£184,000	£308,000	£522,000	14%
Proportion of total funding from Growing Places Fund	£484,000	£350,000	£186,000	£1,020,000	27%
Proportion of total funding from ERDF	£544,000	£630,000	£594,000	£1,768,000	46%
Total Project Funding - STAR Hub	£1,690,000	£1,230,000	£1,240,000	£4,160,000	100%
Proportion of total funding from CPCA staff budget	£110,000	£110,000	£110,000	£330,000	8%
Proportion of total funding from Skills Strategy Implementation budget	£100,000	£100,000	£100,000	£300,000	7%
Proportion of total funding from Local Ind Strategy Implementation budget	£50,000	£50,000	£50,000	£150,000	4%
Proportion of total funding from Careers Enterprise Company	£120,000	£120,000	£120,000	£360,000	9%
Proportion of total funding from EZ receipts	£100,000	£25,000	£30,000	£155,000	4%
Proportion of total funding from Growing Places Fund	£410,000	£380,000	£380,000	£1,170,000	28%
Proportion of total funding from Local Growth Fund	£125,000	£0	£0	£125,000	3%
Proportion of total funding from ESF	£675,000	£445,000	£450,000	£1,570,000	38%
Total Project Funding - All Services	£5,773,000	£6,419,000	£7,448,000	£19,639,999	100%
Proportion of total funding from CPCA staff budget	£582,000	£582,000	£582,000	£1,746,000	9%
Proportion of total funding from Skills Strategy Implementation budget	£100,000	£100,000	£100,000	£300,000	2%
Proportion of total funding from Local Ind Strategy Implementation budget	£50,000	£50,000	£50,000	£150,000	1%
Proportion of total funding from Careers Enterprise Company	£120,000	£120,000	£120,000	£360,000	2%
Proportion of total funding from SCDC staff budget	£66,000	£66,000	£66,000	£198,000	1.0%
Proportion of total funding from EZ receipts	£175,000	£274,000	£448,000	£897,000	4.6%
Proportion of total funding from Growing Places Fund	£1,619,333	£1,652,000	£1,704,667	£4,976,000	25%
Proportion of total funding from Local Growth Fund	£175,000	£0	£0	£175,000	0.9%
Proportion of total funding from ERDF	£1,210,667	£1,630,000	£1,927,333	£4,768,000	24%
Proportion of total funding from ESF	£675,000	£445,000	£450,000	£1,570,000	8%
Proportion of other commercial income	£100,000	£150,000	£200,000	£450,000	2%
Proportion of customer contributions to services provided	£1,000,000	£1,500,000	£2,000,000	£4,500,000	23%



THE BUSINESS BOARD

BUSINESS BOARD	AGENDA ITEM No: 4.4
23 SEPTEMBER 2019	PUBLIC REPORT

BUSINESS BOARD PRIVATE SECTOR BOARD MEMBERS – EXPENSES AND ALLOWANCES SCHEME

1.0 PURPOSE

- 1.1. At its meeting on 31st July 2019 the Combined Authority Board considered the recommendations of an Independent Remuneration Panel and approved the adoption of a Members' Allowances Scheme for the Business Board. This report confirms to the Business Board the content of the Members' Allowance Scheme [which forms Appendix 2 to this report]

<u>DECISION REQUIRED</u>	
Lead Member:	Interim Chair of the Business Board
Lead Officer:	Dermot Pearson, Interim Legal Counsel and Monitoring Officer
Forward Plan Ref: N/A	Key Decision: No
Recommendations The Business Board is recommended to: Note the Members' Allowance Scheme for the Business Board at Appendix 2 to this report	

2.0 BACKGROUND

- 2.1 At its meeting on 26th November 2018 the Business Board:

- 2.1.1 Noted 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;

- 2.1.2 Agreed that an independent remuneration panel should be convened to consider the level of allowances payable to the Chair, Vice-Chair and other private sector members
- 2.1.3 Authorised the Monitoring Officer to source a suitable panel to recommend an allowance scheme to the Business Board;
- 2.1.4 agree as an interim measure until a scheme was agreed to adopt an expenses scheme for private sector board members to take effect from July 2018 and confirmed the Chair's allowance of £2,000 a month to take effect from the date of the appointment

On the basis that Combined Authority would be asked to ratify the decisions made by the Business Board.

- 2.2 The Monitoring Officer arranged for the Independent Remuneration Panel for East Cambridgeshire District Council to recommend an Allowances Scheme. The report of the Independent Remuneration Panel forms Appendix 1 to this report.
- 2.3 At its meeting on 31 July 2019 the Combined Authority Board considered the recommendations of the Independent Remuneration Panel and approved the adoption of a Members' Allowances Scheme for the Business Board. The Allowances Scheme forms Appendix 2 to this report. The Allowances Scheme adopted differs from the recommendations of the Independent Remuneration Panel in that:
 - 2.3.1 The allowance for the Vice-Chair was set at £18,000 pa rather than the recommended £21,000
 - 2.3.2 The allowance for private sector members other than the Chair and Vice Chair was set at £5,000 pa rather than the recommended £18,000 pa
 - 2.3.3 Members of the Business Board being eligible to claim mileage for travel to and from meetings of the Business Board. The recommendation had been that they should not be eligible for such claims.
- 2.4 The Combined Authority Board also backdated the payment of allowances to 24 September 2018.

3 FINANCIAL IMPLICATIONS

- 3.1 The Members' Allowances Scheme for the Business Board approved at the meeting of the Combined Authority Board on 31 July 2019 establishes allowances which for a full financial year would total £92k pa. As the allowances are backdated to September 2018 there is provision in the 2019/20 budget of £138k.
- 3.2 The Combined Authority Board approved that these costs be met from retained enterprise zone receipts and this commitment will be taken into account when available receipts are reported to Board.

4 LEGAL IMPLICATIONS

- 4.1 The National Local Growth Assurance Framework requires the Business Board to publish the expenditure and / or remuneration policy for its Chair and Vice-Chair on its website.

5 APPENDICES

- 5.1 Appendix 1 – Report of Independent Remuneration Panel
5.2 Appendix 2 – Members' Allowances Scheme for Business Board

<u>Background Papers</u>	<u>Location</u>
Decision Statement for the meeting of the Combined Authority Board on 31 st July 2019 [Item 1.7 refers]	CA Board 31 7 19 Decision Summary

**REPORT BY
CAMBRIDGESHIRE AND
PETERBOROUGH COMBINED
AUTHORITY
INDEPENDENT REMUNERATION PANEL**

An Independent Review of Allowances
April 2019

Introduction

- 1.1 This report presents the recommendations of the Independent Remuneration Panel to the Cambridgeshire and Peterborough Combined Authority Board for consideration and approval.
- 1.2 The Authority is required to make a scheme of allowances in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003. The process for making and reviewing such a scheme is regulated so that the public can have confidence in the independence, openness and accountability of the process involved. The process requires that the Authority must establish an independent remuneration panel, and before making or amending its scheme of allowances, it must have regard to the recommendations of the Panel.

The Panel

- 2.1 The decision to constitute an Independent Remuneration Panel was taken at the Combined Authority (CA) Board meeting on 28th November 2018 as follows:

The Interim Monitoring Officer stated that the Board was being invited to agree that an Independent Remuneration Panel be requested to review the Members' Allowances Scheme in relation to the Mayor's allowance, and to consider the payment of a standard allowance for any independent commissions set up by the Combined Authority. Following the Business Board meeting on 26 November 2018 the Combined Authority Board was further requested to ratify the Business Board's decisions on that date. These were 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) *agree 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.*

It was resolved to:

- a) review the Members' Allowance Scheme (Mayor's Allowance);*
- b) consider the payment of allowances/expenses to those appointed to any independent commissions set up by the Combined Authority;*
- c) ratify the decisions of the Business Board reported orally at the meeting.*

- 2.2 The CA Monitoring Officer contacted the Constituent Councils to source a suitable Panel and found that East Cambridgeshire DC had a constituted Panel. The Panel comprised the following Lay members:

Richard Tyler (Chair of the Panel) – retired Chartered Accountant from Witchford who undertakes accountancy work for charity organisations locally. Other community work includes Bishop Laney's Charity, President of Rotary Club of Ely, Trustee of Ely Community Unit and Chairman of the Ely Fireworks Committee.

Richard Powell – retired teacher from Kings School, Ely. Resident of Haddenham. Played for, and was Chairman of, Sutton Cricket Club for many years. Sits on the Cambridgeshire Education Admissions Appeals Panel.

Margaret Clark - worked in the legal profession for many years (about 35) before retiring. Littleport resident and since retiring has been working with the Ely Social Car Scheme and Care Network. Library visitor and also sits on the Cambridgeshire Education Admissions Panel.

Stanley Curtis - Originally trained as an electronics engineer. Extensive experience in managing and developing both SMEs in the UK and large companies internationally in China, Malaysia and the USA. Currently owns a small Agri-Tech business based in Littleport. Chair of the Community Centre Trust in Ramsey where he lived before moving to Soham in 2016.

- 2.3 The Panel undertook their review from February to April 2019. They have now completed the review and have recommended that the Authority adopt a new scheme of allowances as set out in this report.

Terms of Reference for the Review

- 3.1 The terms of reference for the review followed the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 and, in particular, the Cambridgeshire and Peterborough Combined Authority Order 2017. The Schedule to the latter containing the Constitution, sets out the following in relation to allowances payable in respect of the Combined Authority:

Remuneration

8. (1) *Save as provided for in sub-paragraph (2), no remuneration is to be payable by the Combined Authority to its members.*
- (2) *The Combined Authority may only pay an allowance to the Mayor if—*
- (a) *the Combined Authority has considered a report published by an independent remuneration panel established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003(3) which contains recommendations for such an allowance; and*
- (b) *the allowance paid by the Combined Authority does not exceed the amount specified in the recommendation made by the independent remuneration panel.*
- 3.2 A previous IRP in 2017 had considered and made recommendations on the level of the Mayor's allowance and expenses which were approved by the CA Board and the current IRP had a copy of this report. At that time, it had been recommended that the scheme should be reviewed no later than 24 months after it was adopted and that a suitable indexation factor also should be considered. Therefore the remit of this IRP in relation to the review of the Mayor's allowance, was to consider whether the level set by the previous Panel was appropriate in the light of experience of the Mayor's role, responsibilities and workload two years on. The Budget, nature and complexity of these had expanded significantly since inception, arising from the transfer of the Local Enterprise Partnership (LEP) to the CA, which had led to the transfer of local growth funding of £27.4M and LEP staffing amounting to £1.2M. Furthermore in November 2018, the CA had secured Transforming Cities Funding from Central Government amounting to £74M over 4 years, then in January 2019 Greater South East Energy Hub funding of £1.3M over 2 years.

- 3.3 The IRP also were required to consider the principle, possible level and basis for the payment of allowances and expenses for the following Co-Optees:

Independent Commissions:

Chair;
Ordinary Commission Members.

Business Board:

Chair;
Vice Chair;
Ordinary Private Sector Board Members.

- 3.4 As the Business Board is independent to the Combined Authority, we were requested to separate our report into two sections: one relating to the allowances for the Mayor and Independent Commissions Members; and one to the allowances for the Private Sector Members (PSMs) of the Business Board.

SECTION B – PRIVATE SECTOR MEMBERS (PSMs) OF BUSINESS BOARD ALLOWANCES

Methodology/Evidence Considered

- 1.1 The Panel was provided with a comprehensive information pack containing the following:

Report from Director of Business & Skills containing:

- Business Board Constitution
 - Board Member Job Description
 - Board Member Expenses Scheme
 - Odgers Berndston Report: Local Enterprise Partnerships – A Chair's Perspective
 - Non-Executive Directors remuneration comparator reports from Ereveva, PWC, Deloitte.
- 1.2 The Panel produced a Questionnaire for the Business Board Members. 2 completed Questionnaires were received from Business Board Members.
- 1.3 The Panel also interviewed the following people, selected as a representative cross-section of Members and Officers, to obtain their viewpoints regarding the allowances:

Business Board

- Chair and Vice-Chair of Business Board
- Ordinary PSM of Board, Austen Adams
- Board Member and PFH for Economic Growth, Cllr Charles Roberts
- Dan Thorp, Assistant Director of Business & Skills

All three types of Allowances

- Deputy Mayor Cllr John Holdich
 - Councillor Lewis Herbert
 - Councillor Bridget Smith
 - Chair of Scrutiny Committee, Cllr Lucy Nethsingha
- 1.4 After meeting on 6 separate occasions, including 3 sessions interviewing Members and Officers, the Panel now have completed their review. In formulating their recommendations, they have taken into consideration all of the information provided to them and gathered by them from the Questionnaires and interviews.

Conclusions and Recommendations

- 1.5 As a result, the following principles guided the deliberations and recommendations of the IRP:

1.5.1 Business Board Allowances

- The Business Board is independent of the Combined Authority. It is a private-public sector partnership, focusing on the key business sectors, to provide strategic leadership and to drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area. However, Cambridgeshire and Peterborough Combined Authority is the 'accountable body' for funding allocated to the Business Board, meaning it is the Combined Authority that is responsible to Government for complying with any conditions or requirements attached to such funding.
- Up to 8 Private Sector Members (PSM) may be appointed to the Business Board and the Chair and Vice-Chair will be Private Sector Members. One Member must be appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one Member represent the Education sector and one Member be appointed as an international business representative. In addition to the above, Private Sector Members are expected to be industry leaders and active in the following sectors:
 - (a) Agri-food, drink and horticulture
 - (b) Advanced manufacturing and materials
 - (c) Life Sciences
 - (d) Digital
- At present, there are 7 Private Sector Members appointed covering the above sectors, although the Business Board is looking to appoint a female PSM and someone from the IT sector to improve the range and diversity of the Board. The original time commitment envisaged on recruitment was approx. 8 days per year for a PSM and 1-2 days per week for the Chair, although the PSMs have stated that their actual work commitment is considerably more than this. The term of office is 3 years and PSMs can only serve two terms.
- The factors to be taken into consideration for the Business Board allowances are very similar to those for the Commissions allowances. The Panel was conscious of the need to recruit senior and experienced experts in the key sectors/areas identified. They will be expected to deploy their expertise in providing powerful analysis of the issues, use highly-developed managerial and political judgement in making authoritative and implementable decisions, and to display strong interpersonal and networking skills in order to promote those decisions and the work of the Board.
- The level of remuneration should be commensurate with the significance of the task, the seniority and expertise of the members of the Board, and with the complex and demanding contribution they are each expected to make. It should also take into account the opportunity cost of the time of the Board Members – who are in demand from other roles - are giving to the Board, and the market rate for individuals with their skills and experience on similar Bodies.

- In this case, we had the previous experience and practices of the predecessor local LEP and other LEPs nationally as a comparators. The former LEP did not pay allowances to the ordinary Private Sector Members but paid the Chairman £24,000 per annum. A number of LEPs nationally also remunerate their Chairs at levels ranging from £13,000 to £60,000. Locally, both Royal Papworth and Cambridge University Hospitals NHS Trusts recently have advertised for Non-Executive Directors at £12,000 to £13,000 per year for 3 days per month commitment. The documents provided on private sector Non-Executive Directors remuneration showed wide variations in levels, but the vast majority were significantly higher than the levels detailed above.
- In the questionnaires and interviews, strong feelings were expressed both ways about whether allowances should be paid and the level of those allowances. The view also was expressed that there should be mechanisms for monitoring the effectiveness and performance of the Business Board.
- The Business Board has been operating since September 2018, and Private Sector Members were appointed on the clearly stated basis that they would be remunerated. An interim allowances and expenses scheme was approved by the CA Board in November 2018 (see paragraph 2.1 above), pending the outcome of the IRP review, to pay a Chair's allowance of £2,000 per month, but expenses only to ordinary Private Sector Board Members.
- Whilst, as in the case of the Commissions allowances, we advocated that there should be some 'pro bono' element for public/community service, we also recognised the need to attract the highest calibre leaders in key local sectors, who were in demand and therefore could command significant sums for their knowledge, experience, skills and expertise. In order to attract and retain such high calibre people, they will expect a reasonable level of remuneration for their time. Our evidence gathering revealed that some candidates approached had reluctantly declined to be considered, due to existing commitments and the limited capacity they had to undertake pro bono work.
- Balancing all of the above with the fact that this was Taxpayers money, we believed that an allowance of £1,500 per month for an ordinary Private Sector Board Member, £1,750 per month for the Vice-Chair and £2,000 for the Chair seemed reasonable. This should be backdated to the commencement of the Business Board in September 2018.
- There is an expenses scheme already in existence for Business Board Members and we believed that this was adequate. However, we would recommend that the allowance paid to Business Board Members should be regarded as including travel to Business Board meetings and that travel expenses only should be paid for 'approved duties' outside of attendance at Board meetings.
- As a result of our interviews, Board Members stated that they were not aware of any system to claim back their travelling, etc, expenses at the moment, even though an expenses scheme existed. Therefore, we suggest

that the Combined Authority needs to circulate the expenses scheme to the Business Board Members, together with the relevant claim form for them to reclaim their expenses.

- Board Members also commented that they were receiving large volumes of paperwork to read for meetings, often with very short timescales to do so. Whilst beyond our remit, we would suggest that this needs to be examined and addressed by the Combined Authority in the interests of retention of Business Board Members.
- We noted that Business Board Constitution stated that Private Sector Business Board Members were appointed for 3 years and could only serve two terms of office. Since all of the current Private Sector Members were appointed at the same time, this potentially means that they all could retire on the same date, leaving continuity issues. Again, whilst this is beyond our remit, we would suggest that consideration needs to be given to amending the Constitution or the phasing of future appointments to ensure that the Board does not lose the majority of Members with valuable knowledge and expertise at the same time.

Recommendations

Accordingly, the Panel Recommend:

- 1.5.2 A Co-Optee allowance of £1,500 per month for an ordinary Private Sector Board Member, £1,750 per month for the Vice-Chair and £2,000 for the Chair, to include travelling expenses to Business Board meetings.**
- 1.5.3 That the allowances be backdated to the commencement of the Business Board in September 2018.**
- 1.5.4 That travel and other expenses continue to be paid in accordance with the Scheme approved by the CA Board, subject to 5.3.2 above.**
- 1.5.5 That the indexation factor be set as the Consumer Price Index (CPI).**
- 1.5.6 That the Combined Authority circulate the expenses scheme to the Business Board Members, together with the relevant claim form for them to reclaim their expenses.**
- 1.5.7 That the Combined Authority review the issue of the large volumes of paperwork being received by Business Board Members to read for meetings, often with very short timescales to do so, in the interests of retention of Business Board Members.**
- 1.5.8 That consideration be given to amending the Business Board Constitution or the phasing of future appointments of Private Sector**

Business Board Members to ensure that the Board does not lose the majority of Members with valuable knowledge and expertise at the same time.



MEMBERS' ALLOWANCES SCHEME FOR THE BUSINESS BOARD

[July 2019]

At its meeting on 31 July 2019 the Cambridgeshire and Peterborough Combined Authority, having regard to a report prepared by the East Cambridgeshire District Council's Independent Remuneration Panel, agreed that the following allowances and expenses should apply to private sector members of the Business Board with effect from 24 September 2018.

Allowances

Chair's Allowance	£24,000pa
Vice-Chair's Allowance	£18,000pa
Other private sector members of the Business Board	£5,000pa

The indexation factor for these allowances is the Consumer Price Index (CPI).

Expenses

These expenses only apply to private sector members of the Business Board with the exception of the Chair who receives a separate allowance.

1. Travel expenses

- 1.1 It is expected that Members of the Business Board will utilise public transport where possible, in order to reduce his/her carbon footprint and maximise efficiency.
- 1.2 Public transport fares will be reimbursed at cost on production of a valid ticket or receipt. In the case of travel by rail, standard class fare or actual fare paid (if less) will be reimbursed.
- 1.3 Travel by private vehicles will be reimbursed at the rates set for tax allowance purposes by the Inland Revenue for business travel. Currently these are 45p per mile for the first 10,000 miles and 25p a mile thereafter and an additional 5p per mile where a passenger (such as another member of the Business Board) is carried. Parking fees will be reimbursed at cost on production of a valid ticket or receipt.
- 1.4 Taxi fares will only be reimbursed on production of a valid receipt. Travel by taxi should only be undertaken where use of

an alternative is not available or if the following conditions are applicable:

- There is a significant saving in official time;
- The Member has to transport heavy luggage or equipment; and/or
- Where the Member is travelling with other officials of the Business Board together and it is therefore a cheaper option.

1.5 Travel expenses will be reimbursed for any journey undertaken where the member was undertaking approved duties (see section 5 below). Travel expenses will only be reimbursed if claimed within three months.

2. Overseas Travel

2.1 International travel will not normally be paid unless the overseas visit has been approved by the Chief Executive and the Business Board Chair or Vice Chair in advance.

2.2 The Chief Executive is also required to confirm that the member of the Business Board's attendance at the overseas function or event:

- (a) Is in the capacity as a member of the Business Board,
- (b) Represents value for money
- (c) Is required to facilitate the proper promotion or safeguarding of Business Board interests.

2.3 International travel must be booked through the offices of the Combined Authority at the appropriate market rate. Higher rates for international travel will only be booked where it is clearly in the Business Board's interest and where formal approval has been given in advance by the Chief Executive. Any other reasonable and unavoidable costs related to international travel will be reimbursed on production of a receipt.

3. Subsistence expenses

3.1 Subsistence should not be claimed except in exceptional circumstances.

3.2 Formal approval must be given in advance by the Chief Executive for the use of overnight hotel accommodation. Overnight hotel accommodation must be booked through the offices of the Combined Authority at the appropriate market rate. Higher rates of accommodation will only be booked where it is clearly in the Business Board's interest and formal approval has

been given in advance by the Chief Executive. Any other reasonable and unavoidable costs related to overnight stays will be reimbursed on production of a receipt.

- 3.3 Where the Member is required to be away overnight then the offices of the Combined Authority should, where possible, make advance provision for meals. Where this is not possible, then the maximum rates that can be claimed are shown below. Any claim for subsistence must be supported with receipts for actual expenditure incurred.

- Lunch - £10
- Evening meal - £15

4. Dependants' carers' expenses

- 4.1 If a Member has care responsibilities in respect of dependant children under 16 or dependant adults certified by a doctor or social worker as needing attendance, they will be reimbursed, on production of valid receipts, for actual payments to a registered or professional carer. Where care was not provided by a registered or professional carer but was provided by an individual not formally resident at the Member's home, a maximum hourly rate of £6.50 will be payable.
- 4.2 Dependants' carer's expenses will only be reimbursed if incurred where the Member was undertaking approved duties (see section 5 below).

5. Approved duties

- 5.1 Travel and dependants' carer's expenses incurred when undertaking duties matching the following descriptions may be claimed for:
- a) Attendance at meetings or events as a member of the Business within the Combined Authority area, including:
 - (i) attendance at meetings of Business Board, committees, working groups or other bodies of the Board,
 - (ii) formal briefings, training sessions organised by the Combined Authority or attendance at pre-arranged meetings with senior officers to discuss the business of the Business Board;
 - (iii) attendance at the Combined Authority Board or its committees to represent the Business Board,
 - b) Attendance at the following subject to the approval of the Chief Executive

- (i) Representing the Business Board at meetings or events outside of the Combined Authority area;
 - (ii) Conferences, seminars and study courses,
 - (iii) Official functions and events
 - (iv) Meetings of a non-political and non-party political nature, including with Ministers, Members of Parliament, representatives of Government Departments and representatives of major companies
- c) In respect of dependants' carer's expenses only, undertaking general duties.

6. Claims and Payments

- 6.1 A claim for travelling and subsistence, or dependents carers' expenses under this scheme shall be made in writing to the Chief Finance Officer within three months of the date of the duty in respect of which the entitlement to the allowance arises.
- 6.2 No expenses will be paid under this scheme without:
1. a dated receipt (except in relation to car mileage claims), and
 2. a statement signed by the claimant that:
 - (a) the claimant has incurred the expenditure shown on the claim,
 - (b) the claimant has not made and will not make any other claim either under this scheme or to any other body or organisation in respect of the matter to which their claim relates,
 - (c) in the case of subsistence expenses that the amount does not exceed the maximum authorised in the scheme,
 - (d) in the case of car mileage expenses, that:
 - (i) no suitable alternative public transport was available (claimant to provide explanation) or there were special circumstances (to be specified by claimant), and
 - (ii) it was not reasonable for the claimant to have travelled with another Business Board member or officer (claimant to provide explanation),

- (e) in the case of travel expenses for taxi costs incurred, that it was not reasonable to use public transport (claimant to provide explanation).

Publishing remuneration and expenses paid

This scheme shall be published on the Business Board web-site. A summary of remuneration and expenses paid under this scheme each year shall be reported to annually to the Business Board, and the summary shall subsequently be published on the Business Board's website, within 10 working days of the meeting at which it was considered.



BUSINESS BOARD	AGENDA ITEM NO: 4.5
29 SEPTEMBER 2019	PUBLIC REPORT

MONITORING AND EVALUATION FRAMEWORK

1.0 PURPOSE

- 1.1. The purpose of the report is to present the 2019 Monitoring & Evaluation Framework for the Combined Authority to the Business Board and to seek board approval for it to be extended to cover all Business board activities.
- 1.2. It is a requirement of the Combined Authority's central government funding that a Monitoring & Evaluation Framework is in place. The purpose of the framework will be to support effective decision making and to measure the impact of investment decisions, giving us a stronger evidence base on value for money.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Director of Strategy & Assurance
Forward Plan Ref: N/A	Key Decision: No
<p>The Business Board is recommended to:</p> <ol style="list-style-type: none">(a) Agree the extension of the 2019 Monitoring & Evaluation Framework to include all Business Board Activities.(b) Notes the resource implications for effective Monitoring & Evaluation to be delivered	

2.0 BACKGROUND

- 2.1. As part of a wider commitment to 'assurance' made to central government, a Monitoring and Evaluation Framework was prepared for the Combined Authority prior to inception. Developed versions were also submitted during 2017 and 2018. This latest version reflects the updated Combined Authority investment strategy and incorporates (positive) feedback received from central government on the autumn 2018 version. This was approved at the Cambridgeshire & Peterborough Combined Authority Board meeting in March 2019.
- 2.2. The business board (and LEPs in general) are responsible for a significant amount of public funding to drive inclusive growth, increase prosperity and improve productivity¹. Current guidance is clear that that Business Board **must** make clear reference to a document which sets out its approach to Monitoring and Evaluation with the **ideal** being a joint approach together with the Combined Authority (where applicable).
- 2.3. Monitoring and evaluation (M&E) is a critical component of an effective performance management regime. Monitoring supports the effective tracking of a scheme or series of policy interventions ensuring that intended outputs are being achieved. Evaluation quantifies and assesses outcomes, including how schemes were delivered and whether the investment generated had the intended impact and ultimately delivered value for money.
- 2.4. This strategy ensures local ownership for the commitment to M&E and also provides a robust guide as to how the CPCA and Business Board aims to carry out its own M&E. It will continue to be shaped by ongoing dialogue with the Department for Business, Energy & Industrial Strategy (BEIS) and other relevant government departments as well as sources of best practice for evaluating schemes to encourage local economic growth.

Commitment

- 2.5. The commitments made in the M&E framework provide reassurance to funding departments and the public on the following points:
- That the CA and Business Board will take steps to effectively demonstrate the impact of locally devolved funding and the associated benefits being achieved;
 - That the CA and Business Board will support external evaluation requirements. Specifically, M&E will be used to independently demonstrate

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768356/National_Local_Growth_Assurance_Framework.pdf (page 49)

local progress and delivery;

- That the CA and Business Board will use M&E to provide an effective feedback loop for the Authority and relevant stakeholders.

- That the CA and Business Board will develop an evidence base to support effective M&E work.

2.6. The framework sets out the detailed roles and responsibilities needed in order to achieve this commitment. In particular, the roles of the relevant Director within the CA and BB, programme managers and the additional support provided by the County Council's Research Team (part of the wider Cambridgeshire Insight Partnership).

Methodology

2.7. The methodology section maintains consistency with HM Treasury guidance, in particular the emphasis is on designing in M&E activity at an early stage of any programme. The choice of evaluation approach should be based on a statement of the policy's underlying theory or *logic model* and stated objectives – how the policy was supposed to have its effect on its various target outcomes. The more complex the underlying logic, the more important it will be to account for other factors which might affect the outcome. Having a clear idea about the questions that need to be addressed and the required type(s) of evaluation at an early stage will help inform the design of the evaluation and the expertise required therefore each funded project will be expected to have an accompanying 'logic model' at the outset.

Application

2.8. The M&E framework is aligned to the current business plan for the Combined Authority and outlines a tiered approach towards the project portfolio. The twelve key projects (see section four of the Business Plan 2019-20) will be subject to comprehensive external evaluation and the M&E framework includes a *logic model* for each of these. Other projects will have an M&E approach in proportion to expenditure / resources invested, with less involvement from external bodies.

2.9. M&E is being implemented with a standardised approach to project management for the Combined Authority. Project monitoring is in place to measure the delivery of the 'inputs' and (where appropriate) the 'outputs'. The Research Team are also collating baseline measurements e.g. an understanding of rail passenger movements against which to measure progress. Input has already been gained from the government-sponsored What Works Centre For Local Economic Growth, including a training session for project managers, to support the Combined Authority in meeting best practice standards.

3.0 FINANCIAL IMPLICATIONS

- 3.1. The cost of M&E activity will need to be met from within the planned expenditure of each project however, as Local Growth Funded projects are required to report on their outcomes quarterly already, it is not expected that this will result in a further impact on project budgets.

4.0 LEGAL IMPLICATIONS

- 4.1. The Monitoring and Evaluation Strategy forms part of the wider assurance framework for the Combined Authority.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. None not mentioned above.

6.0 APPENDICES

- 6.1. Appendix 1 – Combined Authority Monitoring & Evaluation Strategy 2019

<u>Background papers</u>	<u>Location</u>
Combined Authority Business Plan 2019/20	http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Business-Plan-2019-20-dps.pdf



CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY

Cambridgeshire and Peterborough Combined Authority

Devolution Deal Monitoring and Evaluation Framework

March 2019
Version 1.4

Document Details

Title:	Devolution Deal Monitoring and Evaluation Framework
Date Created:	5 th September 2018
Revision Timetable	n/a
Description:	The purpose of the Monitoring & Evaluation Framework is to provide a clear description of all the activities/policies within the Combined Authority and the M&E arrangements for each. For policies that are covered by this framework, logic models are finalised and key monitoring metrics identified.
Produced by:	Michael Soper, Research Team Manager, Cambridgeshire County Council.
Contact details:	Michael.Soper@Cambridgeshire.gov.uk 01223 715312
On behalf of:	Cambridgeshire and Peterborough Combined Authority
Geographic Coverage:	Cambridgeshire & Peterborough
Time Period:	2019/20 Update
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Executive Summary

This document confirms Cambridgeshire and Peterborough Combined Authority's (CPCA) commitment to Monitoring & Evaluation and the approach to be taken by the authority. The key points are as follows:

- This framework should be viewed in the context of the publication of the Cambridgeshire & Peterborough Independent Economic Review (CPIER¹). **The CPIER document provides a strategic baseline for the Combined Authority area** for the performance of the economy and progress on key areas such as housing, jobs and the rate of growth.
- A heavy emphasis is placed by the CPCA on a **partnership approach to Monitoring and Evaluation**. The CPCA will work very closely with the shared Cambridgeshire County Council / Peterborough City Council, Business Intelligence Service, as part of the wider CambridgeshireInsight² partnership. The CPCA will fully utilise the national evaluation arrangements for the 'single investment fund' funding stream. The CPCA is also building closer working arrangements with the What Works Centre for Economic Growth and the Office of National Statistics Cities team. Finally the CPIER has been established as a forum for developing effective challenge regarding the nature and the rate of growth (and its measurement) for the area. These arrangements **will collectively support the CPCA in having an effective methodology for M&E**.
- The evaluation schedule table in section three provides an overview of the practical approach to M&E that is being taken in relation to the current CPCA investment decisions.

Projects will be subject to one of three levels of Monitoring & Evaluation (1. Major Independent, 2. Local Independent, and project 3. Self-Evaluation). In addition programmes may also be subject to the national evaluation framework for Gateway One (**Major Independent Evaluation**). For example it is anticipated that the **CPCA Market Town Strategy** will be subject to these arrangements.

Locally we are currently planning to commission major independent evaluation of the **programme to deliver affordable homes and local evaluation** for a number of other projects.

- The government's published guidance requires that both the Business Board (LEP) and CPCA Local Assurance Frameworks reference their monitoring and evaluation arrangements and recommends that these are completed as part of the same body of work. **Therefore the Business Board will be asked to co-adopt this M&E Framework alongside renewal of their Local Assurance Framework.**

¹ www.CPIER.org.uk

² www.CambridgeshireInsight.org.uk

1. Introduction

Background

- 1.1 Monitoring and evaluation (M&E) is a critical component of an effective performance management regime. Monitoring supports the effective tracking of a scheme or series of policy interventions ensuring that intended outputs are being achieved. Evaluation quantifies and assesses outcomes, including how schemes were delivered and whether the investment generated had the intended impact and ultimately delivered value for money. M&E forms a significant part of the policy feedback loop to inform future policy development, priorities and budgets.
- 1.2 The purpose of this document is to set out both the commitment and the approach of the Cambridgeshire and Peterborough Combined Authority (CPCA) to M&E. The Devolution Deal between Government and the CPCA specifically includes a commitment to work together in developing an approach to monitoring and evaluating the impact of the Deal.
- 1.3 This document ensures local ownership of the commitment and also provides as robust guide as to how the CPCA aims to carry out its own M&E. This document will be reviewed at least annually so that it remains relevant and fully aligned to progress on delivering the Devolution Deal. It will also be shaped by ongoing dialogue with the Department for Business, Energy & Industrial Strategy (BEIS) and other relevant government departments as well as sources of best practice for evaluating schemes to encourage local economic growth.
- 1.4 For a complete understanding of the background, this document should be read in conjunction with a number of other publications.
 - The CPCA Business Plan for 2019/20
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Business-Plan-2019-20-dps.pdf>
 - The CPCA four year plan (2018/19 to 2021/22) and 2030 ambition_
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/OS-Agenda-250618.pdf>
 - The Green Book: appraisal and evaluation in central government_
<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>
 - The Magenta Book: HM Treasury Guidance on Evaluation_
<https://www.gov.uk/government/publications/the-magenta-book>
 - Local Enterprise Partnerships: National Assurance Framework 2016_
<https://www.gov.uk/government/publications/local-enterprise-partnership-national-assurance-framework>
 - Evaluation of Local Growth Interventions Framework, SQW, 2018
(not in the public domain)

The Cambridgeshire and Peterborough Combined Authority Commitment to Monitoring and Evaluation

1.5 The CPCA is committed to implementing effective M&E so that it is able to:

- a. Provide local accountability to the public by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
- b. Comply with external scrutiny requirements i.e. to satisfy conditions of the Devolution Deal. Specifically, M&E will be used to demonstrate local progress and delivery to senior government officials and Ministers who are ultimately accountable to parliament for devolved funds.
- c. Understand the effectiveness of policies or investments and to justify reinvestment or modify or seek alternative policy. M&E provides a feedback loop for the Authority and relevant stakeholders;
- d. Develop an evidence base for input into future business cases and for developing future funding submissions. M&E will collect, collate and analyse data which can be utilised for future work.

1.6 The remainder of this framework document aims to ensure that these commitments are delivered by setting out the approach, principles, resource and responsibilities together with the proposed approach to evaluating each element of the Devolution Deal.

Roles and Responsibilities

1.7 The overall responsibility for monitoring and evaluation (this framework and the execution of the activity associated with it) is held at director level at the CPCA within the post of Strategy & Assurance Director³. The CPCA has agreed a contract with Cambridgeshire County Council (part of the wider CambridgeshireInsight⁴ partnership) to provide an appropriate level of officer support for M&E including local knowledge, expertise and supporting capacity in order to undertake the work associated with the framework in the period leading up to and including the first 'Gateway' assessment for the Authority (see Partnership Approach below).

1.8 In addition the Finance Director (Section 73 officer) maintains a responsibility to regularly report on spend and to support the integration of this reporting with the wider monitoring and evaluation work. This is particularly relevant when assessing the effectiveness of specific funding streams such as the Investment Fund Grant (£20 million over 30 years). Although this funding is added into the CPCA's 'single pot' (along with Transport Grant and Adult Education Budget and other funding) there are specific arrangements agreed with central government to evaluate this funding (see partnership approach below).

³ See CPCA Leadership Structure <http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Staff-structure.jpg>

⁴ <https://cambridgeshireinsight.org.uk/>

1.9 The board for the CPCA meets monthly. As part of this framework there is a commitment for the board to receive a **Quarterly Performance Monitoring Scorecard** together with an annual **Strategic Overview of Performance** against key metrics. The frequency of reporting will be kept under review and is dictated in part by the availability of metrics at a local level that track, for example, the rate of economic growth or the rate of housing building completions. The work in this area will also be available for review by the CPCA Overview and Scrutiny Committee. There will also be an evaluation reporting time-table (with interim reporting where appropriate to ensure the benefits of investment decisions are understood and lessons learnt incorporated back into policy work. Specific responsibilities are outlined in the table below.

Figure 1: Roles and Responsibilities for Monitoring and Evaluation

Responsibility	Resource
Setting the CA's strategic approach to Monitoring and Evaluation, including annual review	Director of Strategy & Assurance reporting to CPCA Board.
Monitoring progress against Devolution Deal objectives and of the wider CPCA programme of activity, including funded projects and programmes.	Evaluation and Performance Monitoring Officer (role supplied by Cambridgeshire County Council), with support from Head of Finance and individual project leads.
Preparation of individual Monitoring and Evaluation Plans	Theme Leads / funding applicants with quality assurance carried out by Evaluation and Monitoring Officer.
Undertaking individual evaluation	As per framework. Independent evaluation teams where appropriate. Local Evaluation and Monitoring Team in all other cases (roles supplied by Cambridgeshire County Council),
Developing the Local Evaluation Framework for the Single Investment Fund (SIF) in support of the Gateway Assessment	Director of Strategy & Assurance with support from Evaluation and Performance Monitoring Officer.
Maintaining a repository of Monitoring and Evaluation data; Extend and curate current evidence base	Evaluation and Monitoring Team (supported through Cambridgeshire Insight)
Dissemination of evaluation conclusions	Director of Strategy & Planning supported by CPCA Communications Team

Partnership Approach

- 1.10 At the core of the CPCA approach to Monitoring and Evaluation is the commitment to build a strong partnership to support activity.

- Cambridgeshire County Council / CambridgeshireInsight (CI) Partnership

The CPCA has agreed a contract with Cambridgeshire County Council to provide direct officer support in managing the Monitoring and Evaluation Framework (full details of the scope of the arrangements are in appendix 1). The commissioned work includes a) Refresh and Manage the Monitoring and Evaluation Plan; b) Curate Strategic Evidence; c) Lead Performance Management for the CPCA; d) Manage the Independent Evaluation Arrangements for the CPCA.

Cambridgeshire County Council's Research Team hosts the 'County's shared evidence based www.CambridgeshireInsight.org.uk into which a number of local partners already invest, drawing together evidence about Cambridgeshire and Peterborough's economic, housing, planning, health needs and other issues. Much of the Monitoring and Evaluation work will be driven through this platform.

The Research Team supported the development of the previous versions of the CPCA Monitoring and Evaluation Plan and is familiar with the policy area and the current context as well as the historic approach to monitoring and evaluation for devolution deals. The team has also actively supported the Cambridgeshire and Peterborough Independent Economic Commission (CPIER), the development of skills evidence and other policy work of the Combined Authority. Establishing this method of leadership for monitoring and evaluation provides continuity of evidence across a range of organisations and partners including the Greater Cambridge Partnership.

The new arrangements were put in place from August 2018 onwards.

- The What Works Centre for Economic Growth⁵

The What Works Centre (WWC) for Local Economic Growth was set up in October 2013 to analyse which policies are most effective in supporting and increasing local economic growth. It is jointly run by the LSE, Centre for Cities, and Arup and funded by the Economic and Social Research Council and a number of Government Departments.

It is very much the intention of central government for all Combined Authorities to engage with the Centre and build a thorough understanding of evaluation methodology. From initial engagement between the CPCA and the Centre it has been identified where possible gaps in local knowledge around Monitoring and Evaluation lay. For example in relation to tracking the precise impact of skills development programmes. The CPCA will take up the WWC offer for further bespoke workshop sessions and is committed to working jointly to identify an opportunity for specific evaluation support from the Centre.

This framework (see methodology section) also reflects advice from the WWC in regard to our

⁵ <http://www.whatworksgrowth.org/>

approach to evaluation.

- SQW (Investment Fund Grant Evaluation)

Within the prescription around the Investment Fund Grant Funding, central government has committed to having an independent expert group reporting every five years on how investments have made a difference to the local economy. The Secretary of State (MHCLG) will then decide whether or not the funding should continue for the next five years⁶.

SQW Ltd have been appointed to manage the independent expert group and to also lead evaluation of selected initiatives within each Combined Authority area. The CPCA has been actively negotiating with SQW as to the precise focus for their evaluation work. At the present time it is clear that this work stream will cover a proportion of the evaluation work required (the long list for this SQW focus is reflected later in this framework).

Importantly the engagement with SQW around the scoping of their work has served to increase understanding of evaluation approaches within the CPCA and the authority will look to enhance and apply this knowledge (and approaches learnt from engagement with SQW) across the rest of its programme (outside of the Investment Fund Grant) going forward. We have also noted the importance in learning from other Combined Authorities / Devolution deals from across the Country (forth-coming shared learning event).

- Cambridgeshire and Peterborough Independent Economic Review Team (CPIER)⁷

- The CPIER has been commissioned by the Authority to enable Cambridgeshire and Peterborough to articulate the case for greater devolution, demonstrate how the area delivers benefits across the UK and allow local stakeholders (through its partnership approach) to unite behind a common economic strategy.

The CPIER (through its work on reviewing the region's economy) provides an excellent, independent, evidence baseline against which to evaluate the progress of the Cambridgeshire and Peterborough economy. It was published in mid-September 2018 so this work has not yet been fully incorporated into the M&E framework. Through the technical review team for the CPIER the CPCA has established access to a robust level of challenge in regard to economic policy and a growing body of local evidence to both complement and challenge input from the Office of National Statistics (ONS).

Specifically our local understanding of business growth has been greatly enhanced by the work of Cambridge University⁸ on the Cambridge Cluster (as well as businesses in other areas). Tracking the extent to which Cambridge and Peterborough based companies are growing and contributing to the national economy and the extent to which national statistics under estimate local growth.

⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/608527/Plain_English_Guides_to_Devolution_Cam_and_Peter.PDF

⁷ <http://www.cpier.org.uk/>

⁸ <https://www.cbr.cam.ac.uk/research/research-projects/cambridge-ahead-the-cambridge-corporate-database-regional-growth/>

- The Office of National Statistics (ONS)

The CPCA has commenced the process of working closer with ONS through the Cities Analysis Team. A recent workshop considered how this collaboration could develop in order to meet the data and evaluation needs of the CPCA.

Specific areas of interest were the development of a localised view of UK exports⁹, reaching an agreed understand of the precise rate of employment growth within the Cambridge Sub-region and gaining value for the monitoring work of the CPCA from the ONS Data Science Campus¹⁰. The development of the relationship is on-going with the key point of contact being between Cambridgeshire County Council (through Cambridgeshire Insight) and the ONS Cities Team.

- 1.11 Collectively these strands of work will come together to provide a significant level of support around the CPCA for monitoring and evaluation and the development of a robust evidence base for the area.

Integration with LEP (Business Board) / the future of M&E

- 1.12 The relationship between the CPCA and its local LEP is unique. The work of the LEP Cambridgeshire and Peterborough is now conducted by a 'Business Board' which is supported by the Business and Skills Team within the Cambridgeshire and Peterborough Combined Authority (CPCA).

- 1.13 The government's published¹¹ guidance requires that both the Business Board (LEP) and CPCA Local Assurance Frameworks reference their monitoring and evaluation arrangements and recommends that these are completed as part of the same body of work. Therefore the Business Board will be asked to co-adopt this M&E Framework alongside renewal of their Local Assurance Framework.

- 1.14 Further the government has stated its determination to *"help local areas learn from what works best and where, so that we can work together to refine and maximise the impacts of major investments. Government will support all Local Enterprise Partnerships to develop a strong local evidence base of economic strengths, weaknesses and comparative advantages within a national and international context. We will require robust evaluation of individual projects and interventions."* (Page 18, Strengthening Local Enterprise Partnerships, 2018). Therefore emphasis will be placed on further developing and strengthening the 'shared evidence' base as far as possible.

⁹ <https://blog.ons.gov.uk/2017/10/02/building-a-better-understanding-of-local-level-service-exports/>

¹⁰ <https://www.ons.gov.uk/aboutus/whatwedo/datasciencecampus>

¹¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768356/National_Local_Growth_Assurance_Framework.pdf page 49 paragraph 189.

2. Methods

Best Practice that Underpins Monitoring and Evaluation

2.1 The CPCA's approach uses the Magenta Book¹² definition of monitoring and impact evaluation: -

- Monitoring: Seeks to check progress against planned targets, formal reporting and evidencing that spend and outputs are successfully delivered and milestones met.
- Evaluation: The assessment of effectiveness and efficiency during and after policy/intervention implementation. It seeks to measure outcomes and impacts to assess whether anticipated benefits are realised.

2.2 The CPCA approach also makes wider use of the guidance within the Magenta Book (as complementary guidance to the HM Treasury Green Book¹³) which itself acknowledges that whilst it is the *"recommended central government guidance on evaluation that sets out best practice for departments to follow."* It is *"not a textbook on policy evaluation and analysis, rather, it is written and structured to meet the specific and practical needs of policy makers and analysts working in public policy"*. This encapsulate the CPCA's own broad intentions which are to make best use of academic advice and to also be guided by practical considerations around capacity when implementation monitoring and evaluation across a large range of different projects.

2.3 The Green Book presents the recommended framework for the pre-appraisal and evaluation of all policies, programmes and projects. This framework is known as the "ROAMEF" policy cycle, and sets out the key stages in the development of a proposal, from the articulation of the Rationale for intervention and the setting of Objectives, through to options Appraisal (long list and short list) and, eventually, implementation, Monitoring and Evaluation, including the Feeding back of evaluation evidence into the policy cycle.

2.4 HM Treasury Business Case Guidance also provides the framework for preparing business cases for spending proposals. Business cases are prepared according to a model which views proposals from 5 interdependent dimensions – known as the Five Case Model¹⁴ outlined below. The CPCA has committed to following this model which in this context provides the thinking upon which the Monitoring and Evaluation work will be based, for example by providing the strategic and economic case against which to assess if predicted benefits have been achieved.

¹² <https://www.gov.uk/government/publications/the-magenta-book>

¹³ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

¹⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/190609/Green_Book_guidance_short_plain_English_guide_to_assessing_business_cases.pdf

Figure 2: The Five Business Case Model

Five Cases	Detail
Strategic Case	The strategic case sets out the rationale for the proposal, it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.
Economic Case	The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.
Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified.

The Core Approach to Monitoring and Evaluation

2.5 CPCA will develop a comprehensive performance management system and evaluation framework that will operate at both a strategic level and at the individual programme/project level. This will enable CPCA to:

- Monitor impacts and progress towards organisational goals, and to understand whether projects are on track to deliver projected outputs and outcomes.
- Assess the additionality of activities (and impacts) and to assess whether a project or programme has achieved VfM.
- Identify the sustainability of impacts, and the equality implications of activities.
- Maintain scrutiny and accountability.
- Inform future investment prioritisation and resource allocation.
- Identify what works (and what does not), and in what circumstances, to inform future activities and delivery and the sharing of best practice.

- 2.6 All projects funded by the CPCA (regardless of the size), will have a **basic monitoring plan in place** as a part of the business case (as per the Green Book) and all funding awards with external bodies will include monitoring obligations. The monitoring arrangements should be sufficiently detailed to guide the collection of data from individual projects and be designed to ensure that it captures information required by both the CPCA and government.
- 2.7 **Evaluation plans will be proportionate**, corresponding with procedures for appraisal, and be in line with the latest government department guidance where relevant. For example, all transport schemes (over £5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes. This will enable assessment of the effectiveness and impact of investing public funds, and the identification of best practice and lessons learnt that can inform decisions about future delivery.
- 2.8 The CPCA will identify the projects that will be subject to a **more detailed evaluation**. The level of evaluation will depend on the following:
- A. Project funded through *growth funding* (in the CPCAs case the core agreement with central government to devolve £20m per year over 30 years). Therefore subject to the agreed national evaluation framework, independent evaluation led by SQW Ltd.
 - B. Project funded through other streams and identified as being '*major*' in terms of the relative size of the funding and / or the expected benefits to be achieved. Therefore subject to full independent evaluation commissioned by the CPCA (an example would be evaluating the effectiveness of projects commissioned under the £100m affordable housing fund).
 - C. Project identified locally as one where *significant learning* could be available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered 'pilots'. Evaluation work in this case would be either be commissioned independently or carried out locally by the Research Team for Cambridgeshire County Council.
 - D. Other projects not included above subject to minimal '*self-evaluation*' based on submitted business cases.
- 2.9 All monitoring and evaluation arrangements (which will form part of final Business Cases) and interim and final monitoring and evaluation reports will be published on the CPCA website. The CPCA Overview and Scrutiny Committee will also have the opportunity to review decision making against the above criteria. The funding award to specific projects will set out the key milestones for the delivery of the scheme together with the outputs and outcomes detailed in the business case that will be embodied in the monitoring and evaluation plans. Proportionally timed (quarterly as standard) monitoring returns will be used to capture progress against agreed milestones and metrics as part of the funding contracts.
- 2.10 Individual project monitoring information will feed into an overall monitoring scorecard for the CPCA, which will be published and reported to the CA Board, including an annual judgement to the extent to which projects are contributing to the overall objectives of CPCA. The achievement of wider impacts will be gathered as part of the evaluation work.

Monitoring (Detailed Considerations)

- 2.11 Effective monitoring indicators measure and describe the delivery system. They also help understand how the projects are working or can be improved. Key performance indicators (KPIs) can apply both at an organisation as a whole as well as to individual projects. At an organisational level, a Key Performance Indicator (KPI) is a quantifiable metric that reflects how well an organisation is achieving its stated goals and objectives; collectively these can be gathered into a scorecard. Section three of this framework looks at the headline KPIs for GVA, House Building, Productivity and Employment Growth in particular.
- 2.12 Methodologically it is important to choose the most accurate KPIs for business performance; it is equally useful if project managers define their own KPIs for members of their teams. While considering measures and metrics, we should look at a blend of lagging and leading indicators. Lagging indicators are based on prior performance, history of the delivery. They measure if the CPCA is ahead, on target or behind in reaching strategic goals. However, lagging indicators don't explain what is happening to achieve the goals. Indeed, only focusing only on lag measures doesn't give any direct credit on influence to reach our goals and can be frustrating at a board level.
- 2.13 The lead measure is an activity that leads to the goal and is predicative of goal achievement (these should be underpinned with a logic model that demonstrates how interventions are expected to work. Leading performance indicators will help the CPCA attain business plan objectives by defining the monthly, quarterly and yearly activities needed to meet the desired outcomes.
- 2.14 The following questions can help when defining effective KPIs:

Understanding the context

- What is the vision for the future?
- What is the strategy? How will the strategic vision be accomplished?
- What are the organisation's objectives? What needs to be done to keep moving in the strategic direction?
- What are the Critical Success Factors? Where should the focus be to achieve the vision?

In Defining KPIs

- Which metrics will indicate that you are successfully pursuing your vision and strategy?
- How many metrics should you have? (Enough, but not too many!)
- How do we define indicators?
- How often should you measure?
- Where does the data come from?
- Are there any caveats/warnings/problems?
- Are particular tests needed such as standardisation, significance tests, or statistical process control to test the meaning of the data and the variation they show?
- Who is accountable for the metric?
- How complex should the metric be?
- What should you use as a benchmark?
- How do you ensure the metrics reflect strategic drivers for organisational success?

- What negative, perverse incentives would be set up if this metric was used, and how will you ensure these perverse incentives are not created?

2.15 Performance indicators provide valuable information and must be defined very carefully to balance the need to be proportionate in collecting information, with the level of detail that is required in order to be operationally useful. Work to develop key performance indicators should take account of changes in data availability at a government level. A key part of the CPCAs partnership approach will be to work with ONS to ensure the required measures are available.

2.16 Having agreed the title and definition of the performance measures, appropriate targets can be set. It is important that targets are achievable with an appropriate level of additional effort i.e. stretch targets. The useful acronym is that targets need to be SMART: Specific, Measurable, Achievable, Realistic, Time bound.

Evaluation (Detailed Considerations)

2.17 Evaluations can be designed to answer a broad range of questions on topics such as how the policy was delivered, what impact it made, whether it could be improved and whether the benefits justified the costs. Broadly, these questions can be answered by three main types of evaluation.

A. Process evaluations assess whether a policy is being implemented as intended and / or what, in practice, is felt to be working more or less well, and why.

B. Impact evaluations attempt to provide an objective test of what changes have occurred, and the extent to which these can be attributed to the policy.

C. Economic evaluations, in simple terms, compare the benefits of the policy with its costs.

2.18 Understanding why an intervention operated in a certain way and had the effect it had generally involves combining the information and analytical approaches of the different types of evaluation and they should, therefore, be designed and planned at the same time.

2.19 The choice of evaluation approach should be based on a statement of the policy's underlying theory or **logic model** and stated objectives – how the policy was supposed to have its effect on its various target outcomes. The more complex the underlying logic, the more important it will be to account for other factors which might affect the outcome. Having a clear idea about the questions that need to be addressed and the required type(s) of evaluation at an early stage will help inform the design of the evaluation and the expertise required therefore each funded project will be expected to have an accompanying 'logic model' at the outset.

2.20 Prompted by initial discussions with the 'What Works Centre for Local Economic Growth', the CPCA does not intend to undertake a complex meta-evaluation of the whole Devolution Deal, or a programme level evaluation as the overall effectiveness of such an approach is likely to prove negligible, and come at a very high cost. It is also likely that such an approach would duplicate significant aspects of the five-yearly gateway reviews and future Revisions of the

CPIER.

- 2.21 Where in depth evaluation is undertaken this will include methods to identify the counterfactual – comparison with the expected outcome had there been no additional intervention – such as randomised control trials and/or the use of control variables in regression analysis.
- 2.22 Independence: To ensure independence for evaluations, these will be expected to be conducted externally to the commissioning department or organisation. Evaluation will either be undertaken ‘in-house’ where the department conducting the evaluation is independent of the commissioning department and where appropriate ethical walls exist, or else by external parties who are independent from the business case or project being evaluated.
- 2.23 Quality Assurance: In a further effort to ensure the quality of all evaluation work, the CPCA will further develop its relationships with the ‘What Works Centre for Local Economic Growth’, the academic community and other organisations such as the Urban Transport Group plus government departments. External quality reviews will be undertaken on evaluation activities.

3. Four Year Plan and 2030 Ambition

3.1 The mayor and the CPCA have published its immediate four year plan and also a 2030 vision¹⁵, these are then accompanied by a medium term financial strategy. Collectively these documents provide the reference material for the detailed activity associated with this framework, in terms of required monitoring data and planned evaluations.

3.2 The 2030 Ambition sets out the CPCA broad objectives

- Double the size of the local economy;
- Accelerate house building rates to meet local and UK need;
- Deliver outstanding and much needed connectivity in terms of transport and digital;
- Provide the UK's most technically skilled workforce;
- Transform public service delivery to be much more seamless and responsive to local need;
- Grow international recognition for the area's knowledge-based economy;
- Improve the quality of life by tackling areas suffering from deprivation;

With the Cambridgeshire and Peterborough Combined Authority core funding and powers from Central Government grouped around

- £170 million to deliver new homes over a five-year period in Peterborough and Cambridgeshire which includes affordable, rented and shared ownership housing
- £20million a year funding over 30 years to boost growth in the region
- responsibility for chairing a review of 16+ skills provision in the area

The four year plan then outlines the initial investment decisions and practical steps that the CPCA are taking to achieve the 2030 Ambition; organising these under five distinct themes.

Cambridgeshire & Peterborough 2030 Ambition



¹⁵ <http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/OS-Agenda-250618.pdf>

Strategic Approach and Logic Models

- 3.3 Following his election in May 2017, the Mayor published 100-day plan outlining the actions to deliver on his agenda. The 100-day plan kick-started the activities to progress the devolution deal commitments.

A. Initial Investment In Strategic Working: Underway to develop core strategies including for example, the local industrial strategy, housing strategy, skills strategy, local transport plan, strategic spatial planning framework and market towns masterplans;

B. Current Investment Decisions: The Combined Authority has progressed key investment decisions in a range of transport and infrastructure, skills, housing and economic development initiatives. These include for example:

- The establishment of the Economic Commission which will bring forward independent advice and evidence on the local economy which will enable political and business leaders to agree on economic priorities and to come together more effectively in pursuing them;
- Investment in developing core transport and infrastructure such as the Cambridge Automated Metro, A10, A47;
- Investment in specific local interventions across the Combined Authority geography.

- 3.4 Whilst further investments are being made as the strategy work develops (see 2019 Business Plan), the practical elements for this version of the monitoring and evaluation plan take a cue from the mayor's **Long Term Objectives** and **Previous** investment decisions. In this respect reference to the July 2017 Combined Authority Board papers¹⁶ (for affordable housing and skills) and the October 2017 papers¹⁷ (for priority transport schemes) is important as they outline the earliest investments (post-election of the mayor in May 2017); projects that will come forward first for detailed monitoring and evaluation.

- 3.5 Figure 3 overleaf then outlines two things.
- a. How the on-going development of strategy (largely funded from Investment Fund grant) will drive future investment decisions under each of the mayoral themes.
 - b. Where the current investment decisions sit in relation to themes and the proposed split between the national, SQW led Investment Fund evaluation work, and the selection for evaluation against the criteria within section two of this framework. The remainder of section three then outlines our monitoring against strategic goals followed by more detailed monitoring and evaluation around current investment decisions.

This outline is then followed by the Logic Models for the CPCAs major projects.

¹⁶ <http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-July-2017-Agenda.pdf>

¹⁷ <http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Priority-Transport-Schemes.pdf>

Figure 3: CPCA, Monitoring & Evaluation Schedule for Major Projects and Investment Decisions

		A Good Job within Easy Reach of Home	Healthy Thriving and Prosperous Communities	A Work-Force Founded on Investment in Skills and Education	UKs Capital of Innovation & Productivity	A High Quality Sustainable Environment	
A: Initial Investment in Strategic Working	Local Industrial Strategy	☑	☑	☑	☑	☑	
	Housing Strategy	☑	☑	☑		☑	
	Local Transport Plan	☑	☑				
	Strategic Spatial Plan	☑	☑				
	Skills Strategy	☑	☑	☑	☑	☑	
	Infrastructure Strategy	☑	☑	☑	☑	☑	
	Finance and Investment Strategy	☑	☑	☑	☑	☑	
B: Current Investment Decisions							
	Investment Fund Grant Eligible for first gateway evaluation by SQW (subject to agreement) or subject to future gateway impact evaluation	Gateway One Candidates	- Cambridge South Station (interim)	- Market Town Masterplans - Supporting package including Regeneration of Fenland Railway Stations and ‘minor’ transport improvement schemes.	n/a	- Investment in Connecting Cambridgeshire, (Achieve 99% superfast broadband across the county, Roll out of 5G services).	n/a
		Future Gateways	- Cambridge Autonomous Metro (CAM) - A47 Dualling; - A10 upgrade; - Alconbury Station	Market Towns continued - Wisbech Garden Town - Wisbech Rail / Wisbech Access, - Ely Rail Improvements, - Soham Station, - Huntingdon Third River Crossing (A141)	- Development of the University of Peterborough including new university campus.	n/a	n/a
	Other funding Application of CPCA Monitoring & Evaluation Framework	CPIER (Cambridgeshire and Peterborough Independent Economic Review)					
	- Kings Dyke - Quantum of Package of minor road transport measures (see appendix two) not included in national evaluation.	- Housing fund investments for affordable homes (site specific) - East Cambs Housing Company Loan - ECTC Haddenham CLT Loan Supporting Infrastructure to unlock housing sites - HIF Yaxley Loop Road - HIF Soham Eastern Gateway	- Development of the centre for skills (AGE Grant) - Health and Care Sector Progression Academy	- Incubator and Accelerator Hub (and Satellites) - Innovation & Business Growth Fund	- Local Energy Hub		

KEY
b. Full independent evaluation commissioned by the CPCA.
c. Evaluation work commissioned independently or carried out locally
d. Scheme ‘self-evaluation’ based on submitted business cases.

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EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: ALCONBURY STATION

Policy Context

- Delivery of the Alconbury Weald Enterprise Campus is identified as a key part of the Devolution Deal.
- The CPCA is committed to delivering better transport links to support growth of the local economy.

Programme Objectives

- Support the delivery of a new Alconbury Weald rail station, which is planned as part of a £22 billion investment in East Coast Mainline, Crossrail, and Thameslink.

Programme Rationale

- CPCA as Local Transport Authority, should have coordinated oversight of key transport infrastructure projects.
- Provision of a new station will improve transport links for the Alconbury Weald Enterprise Zone, and ensure successful development.

Delivery

Inputs

- No current committed funding from CPCA, the project is anticipated to be wholly funded through developer contributions.

Activities

- Formalise partnership structures with the developer Urban&Civic.
- Work with Network Rail to support plans for rail link.

Outputs

- Potential outputs of the scheme include:
- Station building
 - Infrastructure

Benefits

Outcomes

- Support opportunities for growth planned for Alconbury Weald Enterprise Zone (6,000 new homes and 290,000m2 of employment floor space).
- Improve connectivity.
- Reduce car usage.

Impacts

- It is anticipated that a new station could:
- Improve local connectivity and unlock economic growth.
 - Reduce congestion on surrounding strategic roads

Underlying Assumptions

- There will be demand for rail travel.

Possible Metrics

- Rail usage
- Traffic flows
- Employment numbers
- Housing units

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: CAMBRIDGE AUTONOMOUS METRO

Please note: that whilst this logic model focuses on the potential future benefits of the scheme, the project has currently been funding for the strategic outline case development only.

Policy Context

- The Combined Authority has set out clear ambition to deliver growth with the Cambridgeshire and Peterborough region, setting out the target of doubling the size of the local economy over the next 25 years, boosting regional GVA from £22bn to £40bn in line with the findings for growth of the CPIER.
- Despite the significant investment planned across Greater Cambridge, significant constraints will remain part of the transport network. The historic, highly constrained nature of the city centre streetscape will always limit the public transport connectivity and capacity that can be achieved for trips to, across and within the city.

Programme Objectives

- To provide a reliable metro network to connects Cambridge City Centre, key rail stations (Cambridge, Cambridge North and future Cambridge South), major city fringe employment sites and key 'satellite' growth areas, both within Cambridge and the wider region.

Programme Rationale

- Transport infrastructure is a fundamental 'enabler' to supporting the additional housing and jobs growth required to deliver the wider growth ambitions of the Combined Authority and its partners.
- Providing a high-quality, fast and reliable transport network will transform transport connectivity across the Greater Cambridge region, enabling acceleration of economic growth through investment to alleviate the region's transport constraints and by supporting the sustainable delivery of additional jobs, housing, and GVA..

Delivery

Benefits

Inputs

- See March 2019 Board Paper.

Activities

- Strategic Outline Case development.
- Assessment of options for funding
- Integration with existing infrastructure schemes being progressed by others.

Outputs

- Potential outputs include:
- Tunnelled infrastructure underneath the city
 - Metro type public transport service
 - Zero-emission electric powered vehicles
 - Regional transport corridor infrastructure

Outcomes

- Possible outcomes of the scheme include:
- Increase public transport capacity, connectivity and accessibility.
 - Increase labour market catchments.
 - Reduction in air pollution city and regionally.
 - Employment and housing sites unlocked.

Impacts

- Potential impacts of the scheme include:
- Improve local connectivity and unlock economic growth.
 - Enhancing access to and attractiveness of the city for residents, businesses and visitors.
 - Increase productivity of CPCA area.

Underlying Assumptions

- Funding will be available to enable the scheme to come forward.

Possible Metrics

- Traffic counts
- Air quality
- Metro usage
- GVA
- Housing units
- Employment

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: SOHAM STATION

Policy Context

- Soham station was identified as a priority project within the Devolution Deal
- The CPCA is committed to delivering better transport links to open up the economy and to accelerate the growth of local housing.
- The Local Plan identifies Soham as an area which can accommodate housing growth.

Programme Objectives

- To create a new railway station at Soham and reopen the rail link between Soham and Ely.
- To improve poor existing transport links for Soham residents, which are currently linked with high car usage and congested roads.

Programme Rationale

- CPCA input will bring forward the project quicker.
- Provision of a new station will improve transport links for residents and reduce car usage, enabling housing and commercial growth to be unlocked.

Delivery

Benefits

Inputs

- £3.2 million **committed** to current phase (GRIP stage 3).
- £20 million **anticipated** to deliver the station (*of which £7 million is ring fenced for a second platform and footbridge*).

Activities

- Feasibility/options (single option for August 2019).
- Potential design construction and build of the new station.

Outputs

Potential outputs of the scheme include:

- Station building
- Footbridge
- Infrastructure

Outcomes

- Support opportunities for growth planned for Soham (1,600 new homes by 2031 and wider regeneration proposals for employment of 125 tech jobs).
- Improve connectivity.
- Reduce car usage and consequently reduce congestion along the A142.

Impacts

It is anticipated that a new station could:

- Make Soham an attractive place to live and work.
- Increase property values.
- Increase public transport usage leading to environmental benefits.

Underlying Assumptions

- There will be rail usage and travel demand.
- Strategic housing and employment sites will be brought forward for development.

Possible Metrics

- Station usage
- traffic counts
- employment and housing unit numbers
- Property prices

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: A10 Corridor

Please note that whilst this logic model focuses on the potential future benefits of the whole A10 corridor, the progression of the identified projects within this programme are anticipated to be delivered by both the CPCA and partner organisations, through securing additional funding and developer contributions.

Policy Context

- The A10 corridor was identified as a priority project within the Devolution Deal
- The CPCA is committed to delivering transport connectivity, accelerating house building rates and increasing the local economy.
- The A10 corridor has been identified as a significant growth corridor with much of Cambridge's future growth expected to be concentrated within the study corridor where a number of strategic sites and associated developments are planned up until 2031 and beyond. These include a new town north of Waterbeach and developments on the Cambridge Science Park.

Programme Objectives

- To improve capacity on the A10 corridor, which provides the main transport connections between Ely and Cambridge and for journeys through this corridor
- Enabling the build-out of the new settlement at Waterbeach; releasing up to 17,000 new homes
- Ensuring residents and businesses have a public transport system and pedestrian and cycle-friendly infrastructure and facilities.
- Expanding access and upgrading this major road corridor between Fenland and Cambridge.

Programme Rationale

- Improving capacity on the A10 corridor will reduce peak period traffic congestion, and network reliability issues, improving travel journey times and supporting housing and economic growth along the route.

Delivery

Inputs

- £250,000 **committed** by CPCA for assessment and feasibility work.
- £0.5 million **anticipated** for the next phase of the dualling project.
- Circa £500million **estimated** for whole A10 corridor improvements, to be delivered by both the CPCA and partners.

Activities

- Park and ride review, junction improvement study, refresh of strategic outline case and model to assess traffic model.
- Development of the specific route options for the A10 dualling to support funding applications.
- *Anticipated delivery/construction of A10 infrastructure improvements.*

Outputs

- Pedestrian and cycle route measures *(delivered by partners)*
- Potential junction improvements along the A10 route *(may be delivered by partners)*.
- Potential dualling of A10.

Benefits

Outcomes

- Reduced travel congestion and journey times along route
- Improved safety along route
- Improve transport connectivity for strategic sites which have the potential for up to 17,000 new homes and 14,000 new jobs

Impacts

- Improve transport capacity to cater for the travel demands of additional growth.
- Improve local connectivity and unlock economic growth between Fenland and Cambridge.

Underlying Assumptions

- Funding will be available to deliver the corridor improvements.
- Strategic sites and development will come forward with investment.

Possible Metrics

- journey times
- traffic counts
- employment and housing numbers
- road traffic accidents

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: CAMBRIDGE SOUTH STATION

Please note that this logic model considers the Cambridge South Station scheme as a whole, however there are two workstreams within this scheme, one of which is being led by the Department for Transport and National Rail, and the other which seeks to explore the opportunity to accelerate the provision of a station on the site (an 'interim' solution). There is therefore crossover in the benefits between the two schemes.

Policy Context	<ul style="list-style-type: none">The CPCA CPIER recommended for rapid infrastructure responses to be introduced where the need is most pressing.The Southern Fringe and Biomedical Campus development is expected to enable significant economic growth. The Southern Fringe is identified in the Cambridge Local Plan as an 'area of major change' in which approximately 3,500 new homes will be provided. The development will be integrated with the adjacent Biomedical Campus, which by the mid-2020s could be home to more than 15% of all employment within Cambridge.
Programme Objectives	<ul style="list-style-type: none">To explore interim solutions to bring forward an interim train station at Cambridge South, ahead of the development of a permanent solution to increase public transport connectivity for the Southern Fringe and Cambridge Biomedical Campus.Reducing reliance on central Cambridge transport infrastructure for the significant growth expected in this area. Improve sustainable transport access to housing, services, and employment within the Cambridge Southern Fringe and Biomedical Campus area, to fulfil existing and future demands.
Programme Rationale	<ul style="list-style-type: none">By 2020, the Cambridge Biomedical Campus is expected to house the largest concentration of biomedical expertise in Europe, and strong employment growth is anticipated to coincide with this. Excellent connectivity and transport provision is crucial to success, and therefore a provision for high quality public transport is needed.An interim solution would support this immediate growth, ensuring effective recruitment of a highly skilled workforce who can easily travel to the campus and reduce the reliance on central Cambridge transport infrastructure.

Delivery		Benefits		
Inputs	Activities	Outputs	Outcomes	Impacts
<ul style="list-style-type: none">£90,000 committed from CPCA for a study to assess the interim solution.£1.75m committed from the CPCA towards the cost of the permanent solution.£ 175-350 million estimated cost for the overall scheme.	<ul style="list-style-type: none">Study to look at the viability of bringing forward an interim station 2-4 years earlier than the anticipated permanent solution.Work with Department for Transport to deliver a permanent solution for the station.	<p>Possible interim outputs:</p> <ul style="list-style-type: none">Infrastructure and interim station at Cambridge South <p>Anticipated permanent outputs:</p> <ul style="list-style-type: none">Four tracking of the West Anglia Main LineReconstruction of the Long Road rail bridgeNew four platform station at Cambridge South	<ul style="list-style-type: none">Reduced congestion, the need for car travel and improve journey times.Improved public transport infrastructure and capacity.Link the Biomedical campus to international transport networkContinued economic growth of national significance	<ul style="list-style-type: none">Attraction of highly skilled workforce to the area; contributing to creation of 2500 additional jobs over 20 yearsImprove local connectivity and unlock economic growth.Increased GVA.

Underlying Assumptions	Possible Metrics
<ul style="list-style-type: none">The permanent station scheme will be brought forward and delivered.Continued successful growth and development to attract demand.	<div>Page 339 of 402</div> <ul style="list-style-type: none">Traffic countsStation usageemployment and housing numbersGVA

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: MARKET TOWN MASTERPLANS

Policy Context

- The CPCA is committed to increasing the local economy and the Cambridgeshire and Peterborough Independent Economic Review (CPIER) recommended that Market Towns are key if the region is to meet the goal of doubling GVA.
- Historically, growth strategies have been city focused. Market Towns feel the impact of growth, but do not always see the associated investment and therefore growth has not been inclusive. This programme is aimed at creating more geographically and socially inclusive growth across the county
- The eleven market towns of Cambridgeshire and Peterborough, represent the places where much of the planned housing growth will occur over the next twenty years.

Programme Objectives

- To have an individual plan and focused set of headline strategic interventions for each of the market towns, co-ordinated by CPCA and co-produced by businesses, residents and the communities which live and work in them.
- This programme is aimed at creating more geographically and socially inclusive growth across the county.

Programme Rationale

- Having individual plans for each market plan, will focus CPCA direct investment on top strategic priorities and create the evidence-based prospectus to attract investment from other sources.
- A co-ordinated overall CPCA oversight of all masterplans will ensure they are complimentary of each other and with the Local Industrial Strategy will enable each Market Town to achieve their full potential.

Delivery

Benefits

Inputs

- £500,000 committed by CPCA for 2018/19 and 2019/20 (£50,000 for each masterplan).
- £5 million capital and £600k revenue allocated 2019-2022 to implement market town masterplans priorities.

Activities

- Production of ten evidence based action plans for each market town.
- Implementation of market town masterplan top strategic priorities.

Outputs

- 2018/19: market town masterplans for Chatteris, March, Littleport, St Ives and Whittlesey.
- 2019/20: market town masterplans for Wisbech, Ramsey, Ely, Soham and Huntingdon.

(Expected to be completed by December 2019)

Outcomes

- Each Market Town has a shared set of ambitions for the future looking at :
 - job opportunities
 - education and skills provision
 - health
 - community facilities
 - local attractions

Impacts

- Future investment in market towns, direct from CPCA and attracted from other sources.
- Market towns thrive, are successful economic centres, and are vibrant places individuals want to live and work in.

Underlying Assumptions

- Market town masterplans will make recommendations for and stimulate future investment

Possible Metrics

- GVA
- Population
- Investment
- Employment
- Highstreet footfall
- Retail

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: KING’S DYKE

Construction of the A605 King’s Dyke Level Crossing bypass commenced in November 2018 and is being delivered in partnership with Cambridgeshire County Council and growth deal funding.
This logic model looks at the scheme as a whole, drawing out CPCA specifics.

Policy Context

- The CPCA is committed to delivering transport connectivity, accelerating house building rates and increasing the local economy.
- The Peterborough to Fenland corridor has been identified in the CPIER as a significant growth corridor.
- The eastern side of Peterborough and Whittlesey have both been identified as growth areas for both economic growth.

Programme Objectives

- Upgrading this major road corridor between Peterborough and Fenland to improve travel and safety between Whittlesey and Peterborough along the A605.

Programme Rationale

- Improving travel along the A605 will reduce peak period traffic congestion at the level crossing, improving safety, reducing travel journey times and supporting the economic growth along the corridor, specifically for Whittlesey.
- Without additional funding this scheme, which improves transport capacity and local economic growth, could not have come forward.

Delivery		Benefits		
Inputs	Activities	Outputs	Outcomes	Impacts
<ul style="list-style-type: none">£16.9million committed from the CPCA to match the £30million cost needed compared to the original anticipated £13.6million:<ul style="list-style-type: none">£5.6million Cambridgeshire County Council funding£8million growth deal funding <p>(Note: figures quoted above rounded)</p>	<ul style="list-style-type: none">Construction of the level crossing bypass <p>CPCA input specifically supports:</p> <ul style="list-style-type: none">Stabilisation workDesign changesLand costs	<ul style="list-style-type: none">New roundabout constructed at either end of the diverted route, with underpass access and a bridge over the rail route. <p>(Anticipated completion December 2020)</p>	<ul style="list-style-type: none">Reduction in journey times and congestion.Unlocking land for potential employment and housing sites.Improve train travel along the Birmingham – Stansted Cross Country key rail route.Reduction in accident/increased safety at the level crossing.	<ul style="list-style-type: none">Increase in attractiveness of Whittlesey as a place to live and work.Improve local connectivity and unlock economic growth between Peterborough and Fenland.Reducing the environment impact along North Bank road.

Underlying Assumptions

- Sites will come forward for economic growth
- Car users will no longer divert along North Bank road

Possible Metrics

- journey times
- traffic counts
- planning site allocation
- road traffic accidents

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: A47

The combined Authority is working in partnership with Highways England to assess the viability of the A47 dualling. Please note that whilst this logic model focuses on the potential future benefits of the scheme, the project has currently been funding for the viability stage only. This scheme is competing nationally against other schemes for inclusion in the Roads Investment Strategy Period 2 programme.

Policy Context

- The CPCA is committed to delivering transport connectivity, accelerating house building rates and increasing the local economy.
- The A47 corridor has been identified as a strategic network trunk road by Highways England for requiring improvement. The route connects and passes through several areas that have strong growth aspirations, including the proposed Wisbech Garden Town.

Programme Objectives

- Improving this strategic route between Peterborough and Loversoft to increase capacity and improve transport links for Wisbech.

Programme Rationale

- Improving travel along the A47 will reduce traffic congestion and travel journey times along the route. Increasing capacity will cater for future demand of employment and housing growth along this strategic corridor between Peterborough and Kings Lynn.

Delivery		Benefits		
Inputs	Activities	Outputs	Outcomes	Impacts
<ul style="list-style-type: none">£1million allocated from Transforming Cities fund to support viability (2018-19)£60million estimated to develop business case for scheme (2020-25)<ul style="list-style-type: none">£30million CPCA£30million Highways England£600-700million overall estimated cost for build (2025-27)	<ul style="list-style-type: none">Project control framework documents for stage 0, strategy, shaping and prioritisation to enable Highways England to assess viability.Potential development of business case following viability workPotential dualling of the A47	<ul style="list-style-type: none">Potential duelling of A47 between A16 Peterborough and Walton highway.Possible option for new road bypass.	<p>It is anticipated that improvements could:</p> <ul style="list-style-type: none">Reduced travel congestion and journey times along routeImprove transport connectivity along a strategic route.Support strategic sites which have the potential for up to 12,000-30,000 new homes into the area.	<ul style="list-style-type: none">Improve transport capacity to cater for the travel demands of additional growth.Improve local connectivity and unlock economic growth.
Underlying Assumptions		Possible Metrics		
<ul style="list-style-type: none">The scheme will get through to RIS2Funding options will be available to support the build		<ul style="list-style-type: none">journey timestraffic countsplanning site allocationhousing units built		

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: WISBECH RAIL

Please note that whilst this logic model focuses on the potential future benefits of the scheme, the project has currently been funded for the cost and viability stage only.

Policy Context

- The CPCA is committed to delivering better transport links to open up the economy as identified in the latest CPIER.
- Wisbech has been identified as an area suitable for strategic growth, including the Wisbech Garden Town.

Programme Objectives

- To reopen the disused railway line between Wisbech and March, connecting Wisbech to the local rail network

Programme Rationale

- Opening the disused railway will improve the current public transport options in Wisbech. Public transport improvements will enhance the Garden Town proposals by reducing the car dependency of the development as well as increasing capacity for future demand of employment and housing growth.
- Improved connectivity will alleviate capacity and reduce peak travel times around Wisbech and the strategic A47 route.

Delivery

Benefits

Inputs

- £1.5 million **approved** for cost and viability of a single option solution for the line.
- £75-110 million **estimated** cost to reopen the line between Wisbech and March (based on GRIP 2 study).

Activities

- Feasibility, viability and cost estimates including a single option solution of potential heavy/non-heavy for the line.
- Potential business case design and construction.

Outputs

- It is anticipated that Wisbech rail could include:
- A new station building at Wisbech.
 - A bridge over the A47.

Outcomes

- It is anticipated that a new rail link could:
- Support opportunities for growth planned for Wisbech.
 - Improve connectivity for Wisbech residents, particularly enhancing links to regional employment hubs.
 - Increase public transport usage and reduce the need for car usage.

Impacts

- It is anticipated that a new rail link could:
- Improve local connectivity and unlock economic growth.
 - Reduce congestion on surrounding strategic roads
 - Make Wisbech a more attractive place to live and work.

Underlying Assumptions

- There will be demand for rail travel.
- Future strategic housing growth will be approved.

Possible Metrics

- Rail usage figures
- Traffic flows
- Employment numbers
- Houses built

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: £100M AFFORDABLE HOUSING PROGRAMME

Policy Context

- The development of sites for affordable housing (or the proportion of a site allocated to affordable housing) can be slowed or even stalled for a number of reasons, including land ownership, planning conditions and the financial viability of the site. This has led to unmet need within the local housing market and a lack of new delivery models for affordably housing delivery.
- Cambridge is an attractive place to live and work, with high salaries and low unemployment levels driving up house prices. Housing affordability ratios are high, especially for some employment sectors (e.g. care workers/admin).

Programme Objectives

- To increase delivery of affordable homes in Cambridgeshire and Peterborough, through utilisation of a variety of tools to using different models to expand the housing choices to suit the different geographies of the Combined Authority area.
- To establish a revolving fund to continue to invest in affordable housing models within Cambridgeshire and Peterborough beyond the initial programme investment.

Programme Rationale

- In the current economic climate, traditional commercial development will not provide enough affordable housing to meet the need. Through CPCA intervention, more sites capable of development can be brought forward quicker.

Delivery

Benefits

Inputs

- Devolution Deal funding of **£100 million**:
- Grants to improve scheme viability and provide affordable housing
 - Loan investment to other bodies (e.g. local authority delivery vehicles) to accelerate delivery
 - Potential direct development of affordable housing via a CPCA development company.

Activities

- Working across CPCA programmes (ie including transport and infrastructure) to increase overall growth and development
- Grant funding, inc infrastructure funding
- Loan investment
- Direct development and delivery

Outputs

- 2,000 affordable homes started on site by 31st March 2022
- Market and affordable homes enabled through the programme
- Sites brought forward for development
- Loans repaid and return on investment (recycled fund).

Outcomes

- Increase in local, affordable housing available.
- Stabilisation of wage/rent/mortgage affordability ratios within the CPCA area.
- Reduction of people living in temporary accommodation.

Impacts

- Employee recruitment improved.
- Trend of increase in long distance commuting into the area stabilised.
- Projected 'stalling' in the rate of CPCA employment growth avoided.

Underlying Assumptions

- Sites will come forward with investment
- Housing plots created will be sold/rented

Possible Metrics

- Units built
- Housing affordability to wage ratio
- Business/resident surveys
- Travel to work

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: PETERBOROUGH UNIVERSITY

Policy Context

- Peterborough has been identified as a cold spot for HE Education. Inequalities exist in accessing Higher Education, in some of the more deprived parts of the CPCA area. Raising aspirations for HE education is crucial to upward social mobility.

Programme Objectives

- Support the development of an independent university in Peterborough with its own degree awarding powers.
- Increasing participation and narrowing the attainment gap by enabling residents to take up higher education.
- Matching curriculum delivery with local employer needs and skills gaps locally.

Programme Rationale

- A more locally based institution will encourage students access to higher education, providing a higher level skills set locally and attracting talented individuals to the area.

Delivery

Inputs

- £13.35million **committed** from the CPCA to support feasibility, viability work and support infrastructure and site preparations.
- Cost for the signature building will be confirmed at business case stage.

Activities

- Feasibility and viability work.
- Infrastructure and site preparations.
- Anticipated signature building and student accommodation for the site.

Outputs

- 10 acres of site developed to house 2,000 students by 2022.
- A university which offers varying models of delivery including digital platforms.
- Student accommodation.
- Variety of technical courses delivered to address CPCA priority sectors.

Benefits

Outcomes

- Greater skills of residents.
- Skills gaps of the local economy reduced.
- Individuals attracted to the region to study a technical/vocational offer.

Impacts

- Increased employment opportunities.
- Increased earning opportunities.
- Narrowing gap between skills outcomes across CPCA area.
- Increased productivity.

Underlying Assumptions

- Students are highly motivated to take up university places to study locally.

Possible Metrics

- Earnings
- Skills levels
- GVA
- Student numbers
- Employer survey

EVALUATION AND MONITORING FRAMEWORK LOGIC MODEL: HUNTINGDON THIRD RIVER CROSSING

Please note that whilst this logic model focuses on the potential future benefits of the scheme, the project has currently been funding for the feasibility stage only. This will provide an understanding of the viability and economic benefits of possible options that might be brought forward. The initial feasibility report is expected in early 2020.

Policy Context	<ul style="list-style-type: none">The CPCA is committed to delivering transport connectivity, accelerating house building rates and increasing the local economy.A number of studies supporting the development of the emerging Local Plan, and the associated transport strategy work have identified that the existing road network in the areas of Alconbury-Huntingdon-Wyton-St Ives is unable to accommodate any large-scale development and is therefore a key constraint impacting the unlocking of strategic development sites.
Programme Objectives	<ul style="list-style-type: none">To improve capacity on the highway network north of the Great River Ouse, and to connect this area with the wider strategic road network in the most sustainable way, to unlock the areas of Alconbury-Huntingdon-Wyton-St Ives economic growth potential.
Programme Rationale	<ul style="list-style-type: none">Improving the capacity of the road network in this area will enable the potentially strategic sites of Wyton Airfield, Giffords Park, Sapley Park and Lodge Farm to be unlocked for future development.

Delivery		Benefits		
Inputs	Activities	Outputs	Outcomes	Impacts
<ul style="list-style-type: none">£0.5million committed to examining the feasibility, viability, benefits and impacts of a road link crossing the river£136million estimated to fund a potential dual carriageway river crossing	<ul style="list-style-type: none">Feasibility, viability and impact work of a new road link connecting the primary road route north of the River Great Ouse and the existing wider strategic road network.Potential construction of the preferred link.	<ul style="list-style-type: none">A potential new road link connecting the primary road route north of the River Great Ouse and the existing wider strategic road network. <p><i>(Note, other highways-based interventions will be tested at feasibility stage.)</i></p>	<p>It is anticipated that a new link could:</p> <ul style="list-style-type: none">Reduce travel demand and alleviate congestion at existing river crossingsUnlock strategic sites which have the potential for up to 12,000 new homes	<p>It is anticipated that a new link could:</p> <ul style="list-style-type: none">Improve transport capacity to cater for the travel demands of additional growthImprove local connectivity and unlock economic growth.

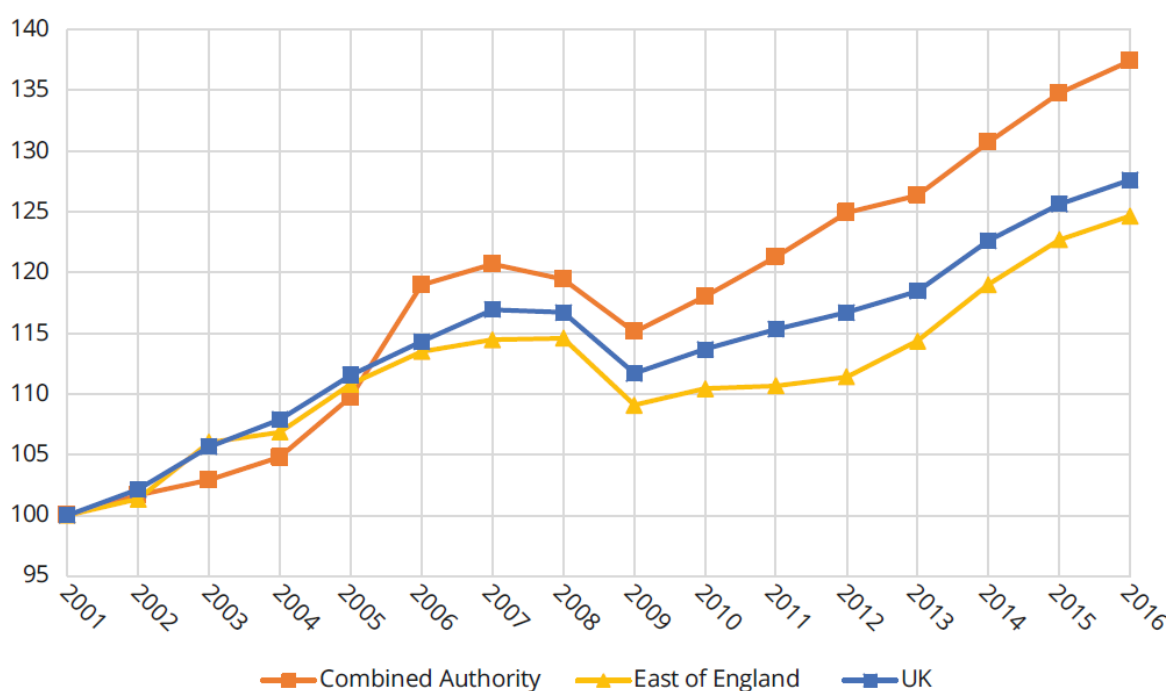
Underlying Assumptions	Possible Metrics
<ul style="list-style-type: none">That following any construction, the demand and funding will be available for additional economic or housing growth	<ul style="list-style-type: none">journey timeshousing deliveryemployment growth

Progress against Strategic Goals - Doubling GVA

- 3.6 A distinguishing feature of the area is how strongly it has grown recently. Economic growth has outpaced both the East of England and UK over the last decade. (See Figure 2 showing Gross Value Added (GVA)). This has been driven primarily, but not entirely, by rapid business creation and growth in the south – Cambridge and South Cambridgeshire. This business is innovation rich, supported by waves of finance, with early acquisitions of companies (often by US firms) providing additional finance which could be invested in other new business. Peterborough is also relatively innovative, with rapid population growth as a factor in driving economic growth – it is the fourth fastest growing city (for population) in the UK.

Figure 4: GVA Growth for the CPCA (extract from CPIER)

Figure 3 – Real Gross Value Added (GVA) – index 2001=100



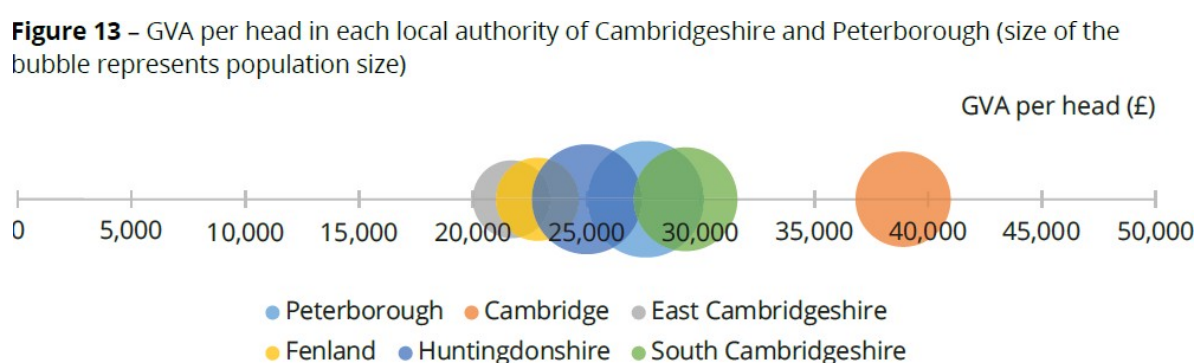
Source: ONS Regional GVA figures

- 3.7 The broad narrative within the Cambridgeshire and Peterborough Independent Economic Review (CPIER) is that for this model of high performance for GVA growth to continue there needs to be significant investment in infrastructure, hence the CPCA initial approach within the four year plan of evaluating a range of these investment proposals.
- 3.8 The CPIER contains a specific narrative on the mayors GVA target. *“To double an economy over twenty-five years requires an average annual growth rate of 2.81%. Historically, since 1998, the local economy has grown at around 2.5%. Viewed in this light, it is a “stretch target” – it requires the area going beyond what it has before.”* Further challenge will arise from the rate of participation in the labour market being already at historically high levels, outstripping Ireland, France and the United States and

the uncertainty around Brexit.

- 3.9 As the CPIER goes on to say, ‘these challenges do not mean the target is unattainable (the effect of the financial crisis in 2007 was clearly felt, but the CPCA economy bounced back strongly from this, the 2.5% historic GVA growth rate includes the period of the financial crisis). However the growth model will need to change. Future growth will have to involve elements of both *employment growth* and *productivity growth*, with ‘the dial pushed firmly in the direction of productivity improvement’.
- 3.10 This is a helpful narrative as it unpacks the headline GVA¹⁸ indicator more and places the emphasis on a wider set of indicators. Clearly the partnership work with ONS (see partnership section) is important in precisely defining what these are but they need to include economic participation rates and wages / household income. In terms of productivity GVA per head for places like Peterborough (see below) will need to improve.

Figure 5: GVA Per Head for the CPCA constituent districts (extract from CPIER)



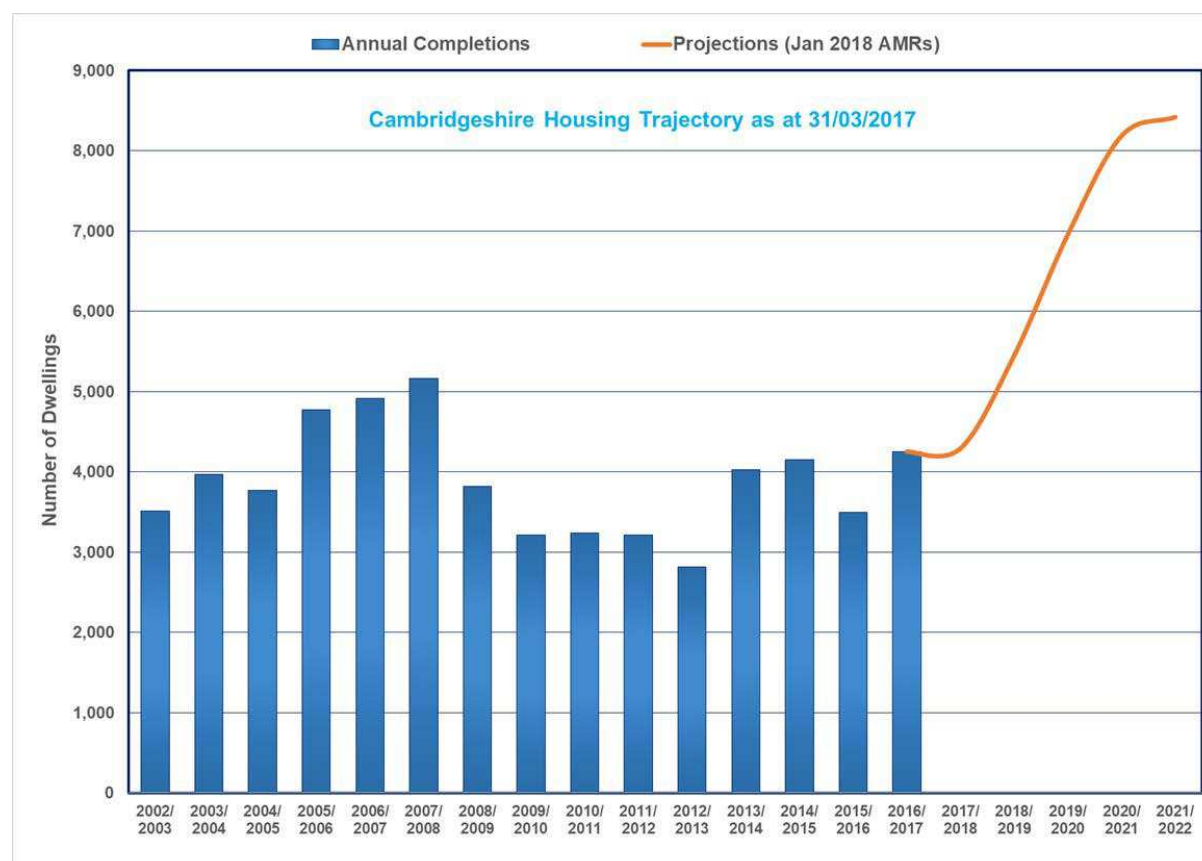
Progress against Strategic Goals - Accelerating house building rates

- 3.11 The challenge of delivering homes is not unique to the CPCA however this is seen as major issue due to the significant size of the gap between demand and supply (driven by economic growth) and the problem of affordability. The housing topic is also very prominent within local conversations, certainly employment growth is outpacing the growth in the housing stock across the Combined Authority leading to longer commuting journeys for many.

¹⁸ (From the CPIER) measuring GVA is not straightforward. The assessment of GVA must be real and not nominal. That is, inflation will tend to increase the ‘face value’ of the economic output of the area regardless of whether real economic output has increased or not. The preferred ONS method of measuring GVA – the ‘balanced’ measure, which takes into account both ‘income’ and ‘production’ factors – is a nominal measure, i.e. with values being given in that year’s prices it is important to use the ONS’ official figures (to give credibility) [for the measurement of the GVA target and progress towards it], but we also need to capture the real value of the economy. The ONS does provide ‘deflators’ for the production approach to GVA measurement. While not perfect, [the CPIER Recommends] that the GVA target should be measured using the ONS (Balanced) GVA measure, deflated by the ONS GVA (Production) GVA deflators.

- 3.12 The figure below explains the housing challenge for the CPCA in terms of accelerating housing delivery. The peak build year was in 2007/08 (just prior to the economic crash) with over 5,000 homes being completed within Cambridgeshire (excluding Peterborough); since then build rates have been considerably lower. The combined district Annual Monitoring Reports (AMRs) show a five year housing supply designed to meet the immediate needs of the local economy **but** build rates per year will need to surpass the 2007/08 peak in order for this to be fulfilled.

Figure 6: Past dwelling completions compared to current ambition for the CPCA.



- 3.13 At present the monitoring of house building within Cambridgeshire and Peterborough (and government returns) are based upon an annual survey. For closer monitoring purposes there needs to be a review of this time-scale (and the suitability of quarterly returns, perhaps using a different data approach). Beyond that there needs to be an understanding of where the CPCA in particular are playing a role in unlocking specific sites and enabling them to come forward as early as possible.

Progress against Strategic Goals – Five Key Themes

- 3.14 The four year plan, the initial investment decisions and practical steps that the CPCA are taking to achieve the 2030 Ambition, is organised under five distinct themes.

- A Good Job within Easy Reach of Home;
- Healthy Thriving and Prosperous Communities;
- A Work-Force Founded on Investment in Skills and Education;
- UKs Capital of Innovation & Productivity;
- A High Quality Sustainable Environment.

At the point these were agreed (February 2018) a draft set of indicators were proposed for each theme. These are outlined in Appendix One (with the data view being incorporated in a draft format across a series of reports on the CambridgeshireInsight website¹⁹)

- 3.15 This strategic monitoring is currently being reviewed in light of the recent publication of the CPIER²⁰. Key considerations for our approach to strategic monitoring will need to incorporate the CPIER's findings in relation to:

- The three distinct sub-economies for the CPCA; Greater Cambridge, Greater Peterborough and Rural Fenland.
- Cambridge and Peterborough Futures. Monitoring against CPIER projects for growth and indicators of 'stresses' within the local economy.
- Quality of 'natural assets' for the CPCA area (e.g. highest grade farmland)
- Suggested measures for GVA, Productivity and Business Growth and the pros / cons of local monitoring (Cambridge Centre for Business Research V BRES data²¹)
- The CPIER emphasis on addressing the health of the workforce as a key element to increasing productivity (the draft monitoring framework is limited on how it measures workforce health).

- 3.16 The CPCA will focus on its partnerships (see section one) to further develop its indicator set. In particular the future working relationship with ONS (and the Cities unit in particular) is seen as vital in order to ensure an accurate and appropriate set of metrics for the programme at a strategic level.

¹⁹ <https://cambridgeshireinsight.org.uk/economy/report/view/0e573c77dfd746d399dedbd5590cbff8/E47000008> as an example report.

²⁰ www.cpier.org.uk

²¹ CPIER subsidiary recommendation "It is important to establish a sound employment database to inform key decisions. The Office for National Statistics (ONS) should continue to work with the Centre for Business Research to clarify why differences exist between the two sources of employment growth rates

Early Investments – A Good Job within Easy Reach of Home

Specific Considerations –Transport Schemes

- 3.17 A significant part of this strategic objective involves the development of a number of transport infrastructure schemes. Proportionate monitoring and evaluation (M&E) will be developed for each scheme with the scope for evaluation being drawn from the final business case submission. The type and depth of evaluation for each scheme will be assessed against the DfT's guidance on monitoring and evaluating local major schemes, or subsequent 'WebTAG'²² guidance on evaluation techniques, hence the precise structure for M&E will vary by scheme.
- 3.18 Fundamental to the approach for scheme evaluation should be the extent to which each has contributed to the Mayor's overall economic objective. Traditionally, measuring return on investment for transportation initiatives has focused on direct user benefits and the economic impacts that arise from those cost savings e.g. minutes of travel time saved by passengers or goods. The reality is however that the CPCA is looking to transportation to play a broader role in shaping the area's economy by²³:
- Supporting business clusters and agglomeration;
 - Increases productivity;
 - Enhancing jobs and labour market accessibility;
 - Opening new markets for businesses; and
 - Enhancing supply chain efficiency.
- 3.19 A proper evaluation is therefore accomplished by assessing specific variables showing how locally the links between businesses and labour depend on the transportation system and how improvements then affect productivity, income, and revenue.

Ideally, before and after studies would be conducted to measure the impact of new or improved transportation. This would mean extensive work in establishing an economic baseline for places / people / businesses that are expected to benefit from each scheme. It should be noted that against this 'ideal' there needs to be a recognition of the challenge of apportioning observed benefits (e.g. growth in employment or wages) to a specific scheme, therefore a thorough understanding of the counterfactual (what would have happened without the scheme) will need to be considered.

Schemes for Monitoring & Evaluation (based on Current Investment Decisions)

- 3.20 An initial investment in feasibility studies for 'strategic' infrastructure schemes was made in June 2017 with a further short-list of schemes for investment being agreed in October 2017²⁴ with the budget allocation at that time being £4.53m. There was also an acknowledgement at the time that there were also other transport interventions that supported the Combined Authority objectives but were promoted by other bodies or through partnerships which may or may not include the Combined Authority (this is important to understanding the cumulative impact of infrastructure investment within future evaluation work). Collectively these create a 'pipeline' of improvements to the

²² <https://www.gov.uk/guidance/transport-analysis-guidance-webtag>

²³ <https://csengineermag.com/article/top-five-ways-transportation-impacts-economic-development/>

²⁴ <http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Priority-Transport-Schemes.pdf>

transport network for the area over the short, medium and longer term.

3.21 There are three schemes that have reached the design and construction phase:

Name	Details	Stated Benefits
A605 Whittlesey Access Phase 2 (Stanground Access)	<i>Provide a right turn lane at junction between the A605 and B1095, where right turning traffic currently blocks straight ahead traffic travelling between Peterborough and Whittlesey</i>	<i>Provide improved access between Peterborough and Whittlesey, which could otherwise inhibit the growth and development of Whittlesey</i>
A47 Junction 18 improvements	<i>Widening of slip roads and circulatory carriageway of existing grade separated roundabout</i>	<i>The improvements would increase capacity and enable Peterborough's Core Strategy of 26,000 homes and 20,000 jobs to be delivered.</i>
A605 Oundle Road Widening - Alwalton to Lynch Wood Business Park	<i>To provide an additional lanes inbound to Lynchwood Business Park, which currently employs c.4000 staff.</i>	<i>Capacity improvements would resolve the severe delays experienced on approach to the Business Park, and would maintain the attractiveness of employment on the Lynchwood Business.</i>

Of these the A605 Whittlesey work will be included within the evaluation of the cumulative impact of initiatives to support the market towns within the CPCA area, and the A47 Junction Improvements will be included in the evaluation of initiatives to support the delivery of housing across the CPCA area (see following section).

3.22 The total cost of the A605 scheme is £1.49m so will be **subject to standard monitoring**²⁵ as per guidance. The timing of the standard monitoring process is anticipated to be as follows:

- Baseline data requirements will need to be collected / collated before / during the scheme construction.
- Data used to monitor scheme delivery performance and processes should be collected during construction.
- Initial analysis of monitoring data conducted at least one year (but less than two years) after scheme opening; with a 'One Year After' report published within two years of scheme opening.
- A final report based on analysis of both 'One Year After' data and enhanced with further data collected up to approximately five years

3.23 The primary objective of the scheme is to improve the economy, reducing the costs to the wider public accounts, to business users and consumers, on congestion and journey reliability, there would also be direct measureable impact on the numbers employed at a major employment site. The broad logic model equates to that for logic models 1a and 1b from the national evaluation framework. The following measures covering, inputs, outputs and outcomes could be monitored.

²⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/9154/la-major-schemes-monitoring-evaluation.pdf

- Scheme build / delivery scheme / costs;
- Travel demand (volume), travel times and reliability of travel times (localised survey of employees at the Lynch Wood Business Park
- Impacts on economy, impact on employment numbers and employment growth at the Lynch Wood Business Park

Initial Investments – Healthy Thriving and Prosperous Communities

Specific Considerations – Market Town Master planning

- 3.24 This strategic objective places a strong emphasis on the progress of a number of market towns with the CPCA area. The core approach will be the development of market town master plans followed by targeted investments. **It is expected that SQW will lead the evaluation of this work as part of the five-year gateway process** with a probable emphasis on baseline studies for each settlement and the development of a set of comparator places as part of the ‘counter factual’ work.
- 3.25 The first Masterplan has been published for St Neots²⁶ within the context that the town already contributes £470m to GVA for the CPCA from over 10,500 jobs. The key projects are:
1. A new foot and cycle bridge in St Neots town centre alongside improvements to the riverside area (which the new bridge will link to the Market Square) (£3.1m direct investment from the CPCA for a £4.6m scheme)
 2. Creation of an enhanced events programme that will act as the springboard to create a Business Improvement District for the town - £259,000 investment from the CPCA towards a £310,000 project)
 3. Establish St Neots as the first Smart Town in the country – (£30,000 investment)
 4. A comprehensive transport study to solve the issue of traffic flow in St Neots town centre, (£175,000 investment)
 5. Improving street furniture in St Neots town centre to make it more attractive and easier for people to travel around the centre (£40,000 investment)
 6. A Business Demand Survey to better understand the future growth needs of local businesses and respond to them in Phase 2 of the Masterplan

In addition the town will likely benefit from investment from housing schemes as this CPCA programme progresses and the development over the longer term of infrastructure schemes, East / West Rail and the Oxford to Cambridge Express Way.

- 3.26 The way each market town master-plan is locally led will create variability in expected outcomes. Whilst the objectives for St Neots are to continue job growth (an additional 3,600 by 2036) and support housing growth by maintaining a vibrant town centre (4,000

²⁶ <http://www.cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/St-Neots-Masterplan-Phase-1.pdf>

additional dwellings) other areas may wish to focus on reducing inequalities. For example, local experience on the Wisbech 2020 initiative shows how important health and community cohesion are as barriers to economic success.

- 3.27 It should be noted that outside of the core master planning process the CPCA have invested in a number of schemes aimed at directly improving market towns and their attractiveness or accessibility e.g. the refurbishment of Fenland railway stations. These will be considered collectively as a package of measures for each of the market towns (rather than evaluated as a separate initiative).

Specific Considerations – Affordable Housing

- 3.28 The CPCA has also considerable commitments (and funding) related to the supply of housing in the local area. As already stated there will be a focus on the overall monitoring of build rates. The majority of the activities being taken forward in respect of housing are process-related hence subject to process evaluation (e.g. 'lessons learned' exercises). Similarly, milestones will be set for the processes such as monitoring of planning decisions and their speed, number of units with planning permission, allocations or parcels of land, housing starts, and changes in land value.
- 3.29 Beyond this though there are a range of tangible benefits expected to accrue in relation to the supply of 'affordable' homes, commuting distances / labour supply and in the case of Wisbech Garden Town, regenerative impacts. Evaluation for housing schemes, beyond process evaluation will have a blend of both quantitative and qualitative approaches. Examples include 'Social Return on Investment' methods²⁷ where impacts are systematically evaluated through interviews with stakeholders and frequency of occurrence and likely duration of benefit calculated.

Schemes for Monitoring & Evaluation (based on Current Investment Decisions)

- 3.30 **It is expected that the CPCA affordable homes programme will be subject to a full independent evaluation.** The reason for this decision is the relative value of the programme (£100m) and the learning that the interim evaluation work could provide for the scheme. The affordable homes scheme was also part of the initial business plan submitted to government.
- 3.31 An initial investment of £4.56m was approved in July 2017 to accelerate the delivery of 253 affordable homes (part of the CPCA target to deliver a total of 2000 new affordable homes). This initial investment was spread across 11 schemes (with further sites since being added to the portfolio).
- 3.32 At the point of investment the average Combined Authority grant per unit was £18k, comparing favourably with other Value for Money (VFM) comparators. Also on five of the sites Combined Authority grant funding was deployed alongside grant funding from other public bodies, the Homes and Communities Agency and East Cambridgeshire District Council. The total combined public grant funding for the 11 schemes equating to

²⁷ <http://www.socialvaluelab.org.uk/wp-content/uploads/2012/09/SROI-Vineburgh.pdf>

£7.16m for 355 new affordable homes, at an average of £20.2k per unit (the detail of the sites receiving investment is shown below).

Figure 7: Sites for CPCA Affordable Homes Investment, June 2017 (candidates for evaluation)

CA Area	Provider	Scheme
Fenland	Cross Keys Homes	Snowley Park
South Cambs	Flagship	Papworth
	Cambridge Housing Society	Melbourn
	Cross Keys Homes	Willingham
East Cambs	Cambridge Housing Society	Littleport
	Palace Green Homes	Soham
	Hastoe	Burwell
Peterborough	Cross Keys Homes	Perkins
	Cross Keys Homes	John Mansfield
Huntingdonshire	Cross Keys Homes	Offord D'arcy
	Havebury	Warboys

- 3.33 At the point of investment the stated baseline for delivery of affordable housing (over five years 2017/18 to 2022/23) was 1,000 homes, with the CPCA investment programme adding 2,000 homes to this figure (3,000 in total). Continued monitoring on a site by site basis and CPCA wide, will be conducted to confirm progress towards this target.

Specific Considerations – Community Land Trust Grants

- 3.34 Community Land Trusts are a form of community-led housing, set up and run by ordinary people to develop and manage homes as well as other community assets. CLTs act as long-term stewards of housing, ensuring that it remains genuinely affordable, based on what people actually earn in their area, not just for now but for every future occupier.
- 3.35 As an example, the CPCA approved a £6.5m commercial loan to the East Cambs Trading Company (ECTC), a standalone company owned by East Cambridgeshire District Council to support a development at West End Gardens (Haddenham) within which 19 affordable homes, owned by a Community Land Trust (CLT), will be delivered.
- 3.36 Nationally there are relatively strong evaluations for CLTs and their benefits are reasonably well understood. Therefore it is proposed that **CLT grants will only be subject to light touch** monitoring (against achievement of stated objectives). With their contribution to the overall affordable homes target noted.

Specific Considerations – Infrastructure to Unlock Housing Sites

- 3.37 The CPCA have secured two Housing Infrastructure Fund projects²⁸. The fund is a government capital grant programme of up to £2.3 billion, which has the stated intention of helping to deliver up to 100,000 new homes in England. The purpose of the fund is to deliver new physical infrastructure to support new or existing communities, making more land available for housing, bringing forward additional homes.
- 3.38 The CPCA projects are both funded from the 'Marginal Viability' element of the fund (housing sites being held back because of the cost of infrastructure is too high). Soham Gateway (East Cambridgeshire) has received a grant of £6.33m and Yaxley Loop (Peterborough) a grant of £4.57. Both schemes provided a robust, value for money business case.
- 3.39 The new Yaxley Loop Road will enable the delivery of 5,350 new homes on a key site in Peterborough. Construction of the road, which will be designed and built by Peterborough Highways Services, is due to start in early 2019. The Soham scheme will focus on Land Assembly. At the moment, the site is not under sole ownership and a roundabout onto the A412 is needed ahead of the site access road to unlock a development site of 553 homes.
- 3.40 Whilst separate monitoring arrangements are in place for this particularly funding stream it is proposed that both are subject to a local evaluation to ensure that there is sufficient learning to inform future projects aimed at unlocking growth sites.

Initial Investments – A Work-Force for the Modern World Founded on Investment in Skills and Education

General Considerations

- 3.41 The core approach will be the development of a number of schemes / initiatives within the CPCA skills strategy. This work has been brought together under the conceptual title of the 'Centre for Skills' and includes:

- Apprenticeship hub development;
- AGE Grant
- Devolved AEB;
- Work & Health Programme;
- Employment & Skills Board;

At the present time this work is developing (and needs to respond to the recently published CPIER work. So only two aspects of this work, the continuation of the AGE grant and the Health and Care Sector Progression Academy will be considered in detail by this version of the evaluation framework.

²⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/625528/DCLG_Introduction_to_Housing_Infrastructure_WEB.pdf

- 3.42 Collectively previous evaluation studies point to employment training schemes for adults having a positive (albeit modest) impact on earnings and employment²⁹. Although there is specific learning that can be applied to scheme design there are also gaps in knowledge for example there is little evidence which provides robust, consistent insight into the relative value for money of different approaches. As a response to this the CPCA will identify, at an early stage, an opportunity for an evaluation to contribute to knowledge in this area of policy.

Specific Considerations – Peterborough University

- 3.43 It is expected that the development of **Peterborough University will be evaluated as part of future gateways (not gateway one) in line with the national evaluation framework**. However this activity may need to be supplemented by local evaluation work supported by knowledge transfer from the What Works Centre for Economic Growth which has particular expertise in both understanding and evaluating skills / employment schemes³⁰.
- 3.44 In regard to the development of Peterborough University there is an extensive range of benefits³¹ that could accrue over time. Monitoring and evaluation will need to be selective in nature, with one or two of the expected benefits being subject to detailed evaluation. Possibilities include
- its role as an anchor institution (having a prominent role in its community, students and staff frequenting local businesses and adding value to the diversity of the area;
 - informal and formal ambassadorial roles (raising the national and overseas profile of the university and area);
 - tracking graduates (adding their newly-acquired skills to the local labour market).
 - The university itself is a major employer, both through the people it directly employs and those whose employment it supports through its purchases of goods and services; the
 - its role in tackling social exclusion (encouraging students from families with little experience of higher education to continue their studies);

Specific Considerations – AGE Grant

- 3.45 The Combined Authority administered the Government's AGE grant for an initial 12 months under its own criteria. This grant was used to support small business financially to take on apprentices. The national criteria was a payment of £1500 for a business of less than 50 employees to take on an apprentice, subject to them not having had one in the past 12 months.
- 3.46 The Cambridgeshire and Peterborough criteria, implemented by the Combined Authority, were initially £2000 for a 16-18 apprentice and £1500 for a 19-24-year-old for a business with less than 250 employees and have the opportunity to access grants for up to 5 apprentices a year. The initiative generated 524 apprentices up to July 2017

²⁹ <http://www.whatworksgrowth.org/policy-reviews/employment-training/evidence-review/>

³⁰ <http://www.whatworksgrowth.org/policy-reviews/employment-training/>

³¹ <https://www.birmingham.ac.uk/Documents/university/economic-impact-of-university-of-birmingham-full-report.pdf>

with the CPCA then committing further investment (with alterations to scheme criteria) with the target of generating 575 apprenticeships up to July 2018.

- 3.47 Whilst the CPCA does not propose to evaluate the effectiveness of apprenticeships (this exists nationally). It is proposed to monitor the outputs from this programme. The on-going development of stages two (employer / apprentice matching service) and three (establishing an apprentice training academy) of the apprentice work stream will be available for local evaluation in the future. The development of a full logic model at this point in time though would be premature.

Specific Considerations - Health and Care Sector Progression Academy

- 3.48 Developed and delivered by Cambridgeshire and Peterborough Combined Authority in partnership with the Government, the Health and Social Care Progression Academy scheme aims to train around 2,100 people (including disabled people and older people) to secure and progress in a variety of occupations in the health and care sector.
- 3.49 The scheme will target those who are disadvantaged and long-term jobseekers in the Cambridgeshire and Peterborough area with specialist tailored advice and support to get into work. This will also include training to gain employment, and also help those already working in the sector to progress. This in turn should help meet the high demand in this area of the labour market; 600 new apprenticeships will be created.
- 3.50 As this scheme is an agreed 'pilot' with government, the monitoring and evaluation will be subject to the terms of that agreement. At present, this project will self-report.

Initial Investments – UKs Capital of Innovation & Productivity

- 3.51 A number of the investments under this stream will be subject to a limited amount of monitoring as the nature and value of the interventions are clearly understood from previous national evaluation work. The monitoring will focus on ensuring successful implementation. One of the projects for more significant evaluation will be the investment in superfast broadband and 5G coverage which is expected to be included within the national evaluation framework. A second will be conducted locally and focus on the outcomes achieved through the economic review (CPIER).

Specific Considerations – CPEIR

- 3.52 Whilst the economic review won't be subject to a major evaluation, locally there will be an assessment as to the extent to which the stated aims of the review were met. This assessment could include involvement from the original CPEIR team and stakeholders who were engaged (consulted) during the development of the review. At present the CPCA is considering its response to the review so it is too early to build any detailed logic models however, two possible areas of focus could be:
- How seriously the CPCA and other agencies (including central government) are acting on recommendation 3 of the CPEIR and supporting the Knowledge Intensive Businesses of the Cambridge Cluster.

- The extent to which policy has been differentiated to reflect the three distinct economies of the Cambridgeshire and Peterborough area identified in the CPIER.

Initial Investments – A High Quality Sustainable Environment

- 3.53 This area of policy current has a limited set of initiatives although these are expected to expand with the development of the CPCA's Rural Strategy. At present the emphasis is on the modal shift to sustainable transport (see A Good Job within Easy Reach of Home') and on the development of a Local Energy Hub (LEH); this is one of five nationally³². At present the LEH will only be subject to light touch monitoring.

³² http://www.apse.org.uk/apse/assets/File/Day%201%20-%20Session%201_2%20-%20Patrick%20Allcorn.pdf

Appendices:

Appendix One: Key metrics

Possible Metric	Potential Source	Description	Released	Other Sources?	Possible Gaps/ Data Issues	Able to baseline now?
Station Usage	Office of Rail and Road - Estimates of station usage https://orr.gov.uk/statistics/published-stats/station-usage-estimates	Estimates of the total numbers of people entering, exiting and changing at each station.	Annually 1997-2018 per station	<ul style="list-style-type: none"> More detailed datasets potentially available from network rail e.g. routes passengers have taken. Possibility also to use current surveys (e.g. travel 4 Cambridge) to supplement this work. 	Peterborough equivalent. Historical data will not be available for new station/routes.	Y
Traffic Counts	Cambridgeshire County Council - Traffic Data https://www.cambridgeshire.gov.uk/residents/travel-roads-and-parking/roads-and-pathways/road-traffic-data/	Information on vehicle flows, flow composition, vehicle occupancy and overall trends. Based on twelve-hour manual traffic counts.	Annually 2013-2017 per Cambridge location	<ul style="list-style-type: none"> More detailed Automatic Number Plate Recognition (ANPR) data, for example Greater Cambridge ANPR Data: Trip Chain Reports. Additional traffic studies/surveys in relation to larger infrastructure projects. 	Peterborough equivalent. Historical data limited to certain sites around Cambridge.	Y
Employment Numbers	Office for National Statistics – Labour Force Survey	Estimates of employment, unemployment and economic activity. Based on a household survey.	1992-2018	<ul style="list-style-type: none"> ONS Business Register and Employment Survey data (used for EEFM) Business register kept by Cambridge University Judge Business School (data available to CCC) 	Survey based.	Y

Possible Metric	Potential Source	Description	Released	Other Sources?	Possible Gaps/ Data Issues	Able to baseline now?
Productivity	Office for National Statistics – Labour productivity	The efficiency of the UK workforce calculated as output per worker, output per job and output per hour.	Quarterly 2014-2018		Regionally, not detailed.	Y
GVA	Office for National Statistics - Regional economic activity by gross value added	Estimates of economic activity by UK country, region and local area using balanced regional gross value added (GVA(B)).	Annual 1998-2017		Historical data regionally, not detailed. From January 2018 data will be available at lower level.	N
Journey Times	Department for Transport - Journey time statistics https://www.gov.uk/government/collections/journey-time-statistics	Statistics on journey times to key services including food stores, education, health care, town centres, employment centres and transport hubs.	Annually 2014-2018	<ul style="list-style-type: none"> Potential to survey population for bespoke data per projects. Cambridgeshire live bus journeys data available along key routes. 	Detailed data on resident's journey times to work.	Y
Highstreet Footfall	Cambridge BID - Footfall and City Performance data https://www.cambridgebid.co.uk/city-performance	Data from Cambridge city footfall cameras.	Weekly and monthly 2018-2019	<ul style="list-style-type: none"> District level historical data available from retail studies. Cambridgeshire County Council anticipates updating current network of monitors. Potential to invest in/deploy new monitors. 	Limited to cameras in Cambridge.	N
Resident skills levels	Office for National Statistics - Annual Population Survey	A residence based labour market survey including qualifications.	Quarterly 2004-2018	<ul style="list-style-type: none"> Census 2011 data 	Survey based.	Y
Students numbers	HESA - Higher Education Student Data	HE student enrolments	2014/15-	<ul style="list-style-type: none"> Cambridgeshire County Council collects data on student numbers direct from institutions for 	Historical data limited to current	N

Possible Metric	Potential Source	Description	Released	Other Sources?	Possible Gaps/ Data Issues	Able to baseline now?
	https://www.hesa.ac.uk/data-and-analysis/students	by HE provider.	2017/18	population projection purposes.	providers.	
Property Prices	HM Land Registry - Price Paid Data https://www.gov.uk/government/statistical-data-sets/price-paid-data-downloads	Data in the sale prices of properties in England and Wales submitted to HM Land Registry for registration.	Monthly 1995-2019	<ul style="list-style-type: none"> Cambridgeshire County Council subscribe to Home Track data. 		Y
Retail	Cambridgeshire County Council - Cambridgeshire Retail and Town Centre Uses Completions	Amount of completed Retail floorspace (sq.m.) in each financial year. Broken down into four development use classes and includes data by district, town centre or local authority and gains or losses.	Annually 2002-2017	<ul style="list-style-type: none"> CACI – recent value of major retail centres. Goad Maps - over 3,000 retail centres are available through a subscription to the online service. 	Combining Peterborough and Cambridge data.	Y
Housing Completions	Cambridgeshire County Council - Cambridgeshire Housing Completions	Number of dwellings completed (built) includes data by district, parish, settlement, by bedrooms, on previously development land, affordable and density.	Annually 2002-2017		Combining Peterborough and Cambridge data.	Y
Road Traffic Accidents	Cambridgeshire County Council - Traffic Data https://www.cambridgeshire.gov.uk/residents/travel-roads-and-parking/roads-and-pathways/road-traffic-data/	Counts of road traffic collisions across Cambridgeshire. The dataset breaks down data for each month by district and contains a dataset breaking down by collision severity.	Annually 2012-2017		Peterborough equivalent.	Y

Possible Metric	Potential Source	Description	Released	Other Sources?	Possible Gaps/ Data Issues	Able to baseline now?
Population	Cambridgeshire County Council – population estimates	Local population estimates and forecasts.	2011- 2036	Census 2011 data		Y
Resident Earnings	Office for National Statistics – Annual Survey of Hours and Earnings	Information about earnings and hours of employees.	Annually 2002-2018		Survey based.	Y

Appendices:

Appendix 2: October 2017 'Short List' Schemes (Provisional).

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Item-2.2-Appendix-A-280318.pdf>

Project Information							Cost / Funding						
Scheme	Location / District	Scope	Benefits	Current Status (Refers to stage completed or currently underway)	Next project stage	Owner	Total Scheme Cost (£m)	3rd Party Contributions (£m)	CA Commitment (£m)	CA Annual Spend Profile (£m)			
										Term 1			
										17/18	18/19	19/20	20/21
Cambridgeshire Capacity Study	Strategic	Strategic rail study identifying network constraints	Underpins strategic rail growth directly supporting jobs and housing	Pre-feasibility	Feasibility	CA	0.3	0.25	0.05				
Cambridge South Station	Cambridge	Development costs of a new station next to the Biomedical Campus	Provides access to a major employment site which will support new homes and 16,000 existing, and 7,000 new jobs, with further growth planned.	Feasibility	Options appraisal / business case	CA	10	8.25	1.75				
Soham Station	East Cambs	Development costs of new station at Soham	Will support the delivery of 1,655 new homes and 15ha of employment land.	Options appraisal / business case	Options appraisal / business case	CA	12	7	5				
Regeneration of Fenland Railway Stations - March, Manea and Whittlesea Station	Fenland	A package of improvements to upgrade the Fenland railway stations	To ensure greater use of the railways in Fenland for local residents, businesses and tourism. Supports Local Plan commitments to 7,200 jobs on 85ha of new employment land.	Options appraisal / business case	Preliminary design	FDC	9.5	0.5	6.5				
A505 Corridor Study	South Cambs	A Strategic economic growth and transport study to include outline business case development for a scheme on the A505	Reduces congestion, supports key employment sites including Granta Park, Babraham and the Genome campus with potential growth of over 11,200 jobs.	Pre-feasibility	Feasibility	CA	1.5	0	1.5				
A10 Foxton Level Crossing	South Cambs	Scheme development work to take forward level crossing replacement	Resolves longstanding key constraint on the network, reducing congestion, providing interchange with rail, and supporting jobs and employment.	Feasibility	Feasibility	CCC	2	0	2				
A14 Junctions Improvement feasibility Study	East Cambs	Feasibility study to understand and review J35-38 of the A14	Reduces congestion on the strategic network, supports new jobs and houses.	Pre-feasibility	Feasibility	ECDC	0.15	0	0.15				
A142 Capacity Study	East Cambs	Feasibility study to understand what the impact of growth is on the key route between Newmarket and Chatteris	Reduces congestion, supports new jobs and houses, improves road safety.	Pre-feasibility	Feasibility	ECDC	0.15	0	0.15				
A47 Junction 18 improvements	Peterborough	Widening of slip roads and circulatory carriageway of existing grade separated roundabout	The improvements would increase capacity and enable Peterborough's Core Strategy of 26,000 homes and 20,000 jobs to be delivered.	Design	Construction	PCC	5.5	1.65	3.85				
A605 Whittlesey Access Phase 2 – Stanground Access	Peterborough	Provide a right turn lane at junction between the A605 and B1095, where right-turning traffic currently blocks straight ahead traffic travelling between Peterborough and Whittlesey.	Provide improved access between Peterborough and Whittlesey, which could otherwise inhibit the growth and development of Whittlesey.	Preliminary design	Design/Construction	PCC	4	1.2	2.8				
A605 Oundle Road Widening - Alwalton to Lynch Wood Business Park	Peterborough	To provide an additional lanes inbound to Lynchwood Business Park, which currently employs c.4000 staff.	Capacity improvements would resolve the severe delays experienced on approach to the Business Park, and would maintain the attractiveness of employment on the Lynchwood Business.	Preliminary design	Design/Construction	PCC	1,493	0.773	0.72				
A1260 Nene Parkway Junction 15 improvements	Peterborough	Capacity Improvements to existing Junction 15, at the interchange between the A1260 and A47 Major Roads.	Increased capacity to enable Peterborough's Core Strategy of 26,000 homes and 20,000 jobs to be delivered.	Pre-feasibility	Feasibility	PCC	7	0.7	2.455				
Eastern Industries Access Phase 1 - Farnwell Way	Peterborough	Capacity improvements to existing infrastructure, possible dualing of link road or alternative access arrangements.	Provides access to large employment area at Red Brick Farm within the Eastern Industries, enabling the creation of 6,000-8,000 jobs.	Pre-feasibility	Feasibility	PCC	9.55	0.95	0.55				
A1260 Nene Parkway Improvement Jn 32 to Jn 3 (Fletton Parkway)	Peterborough	Capacity improvements to A1260 Nene Parkway including additional lanes	The proposal would increase capacity necessary to enable Peterborough's Core Strategy of 26,000 homes and 20,000 jobs to be delivered.	Pre-feasibility	Feasibility	PCC	4.5	0.45	4.05				
A16 Norwood dualing	Peterborough	Provide roundabout access off the A16 into the proposed Norwood development and dual the existing section of the A16 between there and its roundabout with the A47 which would also be improved.	Enable the development of Norwood comprising 2,000 houses, which would otherwise be difficult to bring forward due to developer cash flow issues as the infrastructure improvements are required from dualing of the A16.	Pre-feasibility	Feasibility	PCC	10.8	1.1	0.125				
Eastern Industries Access Phase 2 - Fengate	Peterborough	Capacity improvements to existing infrastructure, possible road widening or junction improvements.	Provides access to large employment area at Red Brick Farm within the Eastern Industries, enabling the creation of 6,000-8,000 jobs.	Pre-feasibility	Feasibility	PCC	7.5	0.75	0.2				
A47 Junction 18 Pedestrian Footbridge	Peterborough	Detailed assessment at the cost of reconstructing the existing shared used footbridge.	Enable pedestrians and cyclists to continue crossing the A47 via a shared use footbridge	Pre-feasibility	Feasibility	PCC	0.3	0.05	0.25				
Wisbech Access Study Packages	Fenland	Delivery of measures identified in the Access Study to support growth and regeneration	Reduction in congestion at key junctions, supports Local Plan commitments of over 11,000 new homes and 30ha of employment land.	Options appraisal / business case	Preliminary design	CA	13	10.5	8.5				
March junction improvements package. Capital and Revenue	Fenland	Feasibility studies and testing of options for improvements to key set of junctions on the A141 and the B1101; and phase 2 of a northern Link road. Project would then include implementation of preferred option(s) from the study.	Reduction in congestion at key junctions, supports Local Plan commitments of over 11,000 new homes and 30ha of employment land.	Feasibility	Feasibility	CCC	6.35	3.7	3.65				
Huntingdon Strategic River Crossing	Hunts	Feasibility and preliminary work on major strategic new river crossing	Development work to inform future development requirements (new homes at Wyton(4,500), Giffords Park (2,200), Sapley Park (1,300) & Lodge Farm (3,820)) and capacity involving new strategic river crossings.	Pre-feasibility	Feasibility	CA	0.5	0	0.5				
A141 capacity enhancements around Huntingdon	Hunts	Package of highway schemes on A141	Highway improvements adjacent to the strategic Alconbury development site, with congestion reduction and supporting Local plan commitments of employment and 16,000 new dwellings.	Pre-feasibility	Feasibility	CCC	7	0	6				
Queen Adelaide Road Study	East Cambs	Road study to explore acceptable highway solutions to level crossing down time as a result of increased rail flows	Enables strategic rail growth whilst maintaining local access to employment and services.	Pre-feasibility	Feasibility	CCC	0	0	0.16				

Project Information							Cost / Funding						
Scheme	Location / District	Scope	Benefits	Current Status (Refers to stage completed or currently underway)	Next project stage	Owner	Total Scheme Cost (£m)	3rd Party Contributions (£m)	CA Commitment (£m)	CA Annual Spend Profile (£m)			
										Term 1			
										17/18	18/19	19/20	20/21
St Neots River Great Ouse northern crossing / cycle bridge	Hunts	Delivery of new cycle crossing in St Neots	Provides critical infrastructure linked to the St Neots Masterplan, supporting 4000 houses and 3600 jobs.	Pre-feasibility	Preliminary design	CCC	4.5	1.5	3				
Coldhams Lane roundabout improvements	Cambridge	Remodelling roundabout to improve safety and provide crossings on each arm	Improved road safety, encourages walking & cycling to major urban development of over 1,200 new homes in East Cambridge.	Pre-feasibility	Design	CCC	3	0.2	2.8				
Smart City Network	Peterborough	To develop a plan of how Peterborough would implement a Smart City Network (including intelligent mobility). This would form the basis for joint working with Cambridgeshire County Council to develop a Smart City Strategy to serve the Combined Authority area.	Gain a comprehensive understanding of the requirements which will enable the exploitation of data to support the management and control of the network, with an aim of increasing network resilience and capacity, allowing for more informed and	Pre-feasibility	Feasibility	PCC	0.1		0.1				
Sustainable Travel Capital/Revenue	Peterborough	Promoting sustainable travel and infrastructure improvements city wide	Increased mode choice, less congestion on the roads and reduce the need for expensive transport infrastructure investment.	Preliminary design	Feasibility	PCC	0.5		0.5				
Schemes and Studies	Peterborough	Undertake small scale studies and traffic modelling in order to develop on-going pipeline of transport infrastructure schemes	Identify transport schemes that would tackle congestion, enable housing and promote job jobs creation.	Preliminary design	Feasibility	PCC	0.4		0.4				
Total							121.6	39.5	57.71	9.275	17.18	16.975	20.33

KEY

	Combined Authority Funding Approved Oct 2017
	Combined Authority Funding Request Mar 2018
	Future Investment

Performance Management and Monitoring & Evaluation Programme

The following programme outline has been prepared by the Business Intelligence Team of Cambridgeshire County Council (referred to this point forward as CambridgeshireInsight³³ with a view to supporting the development and delivery of the Combined Authority's (CPCA) Performance Management and Monitoring and Evaluation Framework - providing on-going support for the performance management of the Combined Authority whilst also integrating the CPCA's requirement for evidence with other on-going programmes³⁴ in Cambridgeshire and Peterborough, providing value for money to the public purse.

Background

The Combined Authority has published its four year plan 2018/19 to 2021/22 as well as its 'Ambition' for 2030. Both documents make significant commitments in terms of the delivering sustainable economic growth, infrastructure and housing.

The Combined Authority's agreement with central government includes two relevant commitments.

- To maintain an up-to-date Assurance Framework (which incorporates the Monitoring and Evaluation Plan); a commitment to use evidence to justify policy decisions and to effectively monitor the outputs and outcomes of policy (spending plans).
- To support an independent³⁵ evaluation framework for the Combined Authority's work up to its first Gateway Review in 2022. Providing evidence of effective interventions.

There is also a requirement to demonstrate a good fit with central government expectations for best practice³⁶ in the development and implementation of policy. This is best reflected within the treasury 'Green Book' (see figure 1). At first glance there might be an assumption that this is focused towards the end of the cycle (Appraisal, Monitoring and Evaluation). However, there is also a need to be clear about the rationale, the logic model for the proposed intervention (e.g. if we invest in training centre x we will support people into better employment in industry y) and objective setting (e.g. we expect x hundred people to be trained and gain sustainable employment in industry y; GVA will increase by z%).

³³ CambridgeshireInsight is a brand name for the County Council's Research Team and the on-line web resources under which the evidence base for Cambridgeshire and Peterborough are drawn together. www.cambridgeshireInsight.gov.uk

³⁴ The County Council Team already coordinates the monitoring of land and movement planning, the Strategic Housing Needs Assessment and is a significant contributor to the Independent Economic Review.

³⁵ The Independent Evaluation will be led by SQW Ltd.

³⁶ The Green Book, Central Government Guidance on Appraisal and Evaluation.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

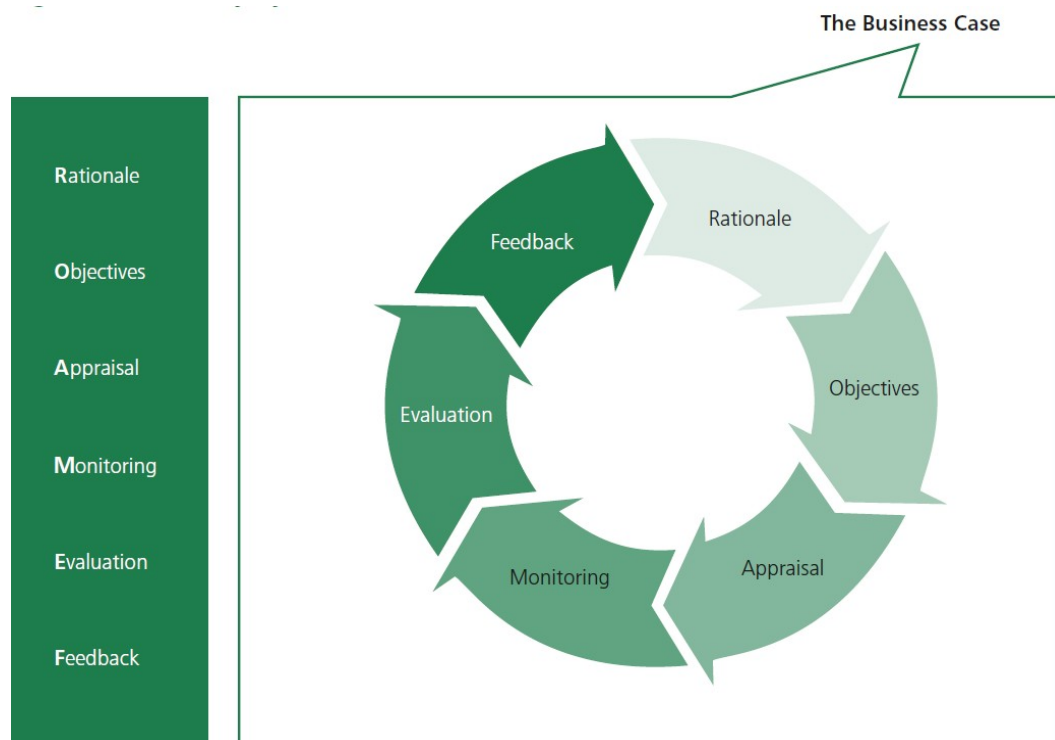


Figure 8: The Policy Cycle, Treasury Green Book, 2018

As well as the explicit requirement for monitoring and evaluation in the above model there is also a clear expectation that early stage planning for policies, the 'strategic dimension' (within the five case model), the framing of rationale and objectives should "have an objective basis in research (as set out in previous versions of the Combined Authority Assurance Framework)³⁷. Relevant evidence can be drawn from evaluations of past interventions, evidence of 'what works', international comparisons, academic and other literature and relevant experience. Key will be the evidence that has been drawn together within the Cambridgeshire and Peterborough Independent Economic Review (CPIER) and the Local Industrial Strategy. The basis for the following proposal therefore seeks to put the Combined Authority in the best possible position in these respects.

The proposal has been drawn together by CambridgeshireInsight The full details of the team's competences are given below. The team is well qualified to deliver the proposed programme:

- The County Council's Research Team (part of the Business Intelligence Service) hosts the 'County's' shared evidence based 'CambridgeshireInsight' into which a number of partners already invest, drawing together evidence about Cambridgeshire and Peterborough's economic, housing, planning, health needs and other issues.
- CambridgeshireInsight supported the development of the initial Monitoring and Evaluation plan for the Combined Authority and is very familiar with the policy area and the current context as well as the historic approach to monitoring and evaluation for devolution deals. CambridgeshireInsight already has established links with the relevant government departments and personnel.
- CambridgeshireInsight has a significant track record in managing performance management frameworks both within the County Council and for partnerships such as the CommunitySafety

³⁷ Last updated October 2017, see MEv2.doc

<http://cambridgeshirepeterborough-ca.gov.uk/meetings/combined-authority-board-25-october-2017/?date=2017-10-25>

Partnerships.

- CambridgeshireInsight has actively supported the Cambridgeshire and Peterborough Independent Economic Commission (CPIER), the development of skills evidence and other policy work of the Combined Authority. CambridgeshireInsight are familiar with the policy context, emerging evidence and interventions and can offer continuity of expertise and evidence, enabling them to 'hit the ground running' in delivering the programme.
- Developing activities together with existing County Council services provides both continuity of evidence and best value for the public purse. CambridgeshireInsight also inputs to the evidence base for the Greater Cambridge Partnership so alignment of evidence can take place.

Programme Objectives

- To develop and deliver performance management and Monitoring and Evaluation Plan for the Combined Authority.
- To integrate performance management and Monitoring and Evaluation for the work of the Combined Authority and the Business Board.
- To scope and commission 'a fit for purpose' evidence base for the Combined Authority and the Business Board.

In delivering the above, the programme provider will lead for the Combined Authority (and engage with central government) on the relevant issues regarding evidence, performance management and monitoring and evaluation.

Programme Approach

The following specification has been drawn up with reference to the four year plan, 2030 Ambition and the Green Book.

Programme Approach

The following specification has been drawn up with reference to the four year plan, 2030 Ambition and the Green Book.

Refresh and management of the Monitoring and Evaluation Plan of the Combined Authority's Assurance Framework

Specification Framework	Detail
Rationale	<p>The Assurance Framework forms part of the Combined Authority's commitment to Central Government. Part of the framework outlines in detail how the Authority will measure and evaluate the success of each of the policies that it adopts – the Monitoring and Evaluation Plan.</p> <p>The last version of the Assurance Framework was completed in Autumn 2017, pre-dating the publication of the CPCA's four year plan.</p> <p>The Monitoring and Evaluation Plan requires a significant refresh to reflect the CPCA's strategic objectives, priority programmes and target outcomes and to incorporate Central Government requirements..</p> <p>The Business Board (previously GCGP LEP) framework was last updated in 2015. There was a commitment to an annual refresh). This needs to be incorporated into the CPCA Monitoring and Evaluation Plan. This is also identified as a requirement by the recent LEP Review (July 2018) and as outlined in Appendix 1</p>
Outputs	<p>A refreshed Monitoring and Evaluation Plan as part of the CPCA's Assurance Framework no later than 27th September 2018.</p> <p>The refreshed Monitoring and Evaluation Plan will be shared and signed-off with Central Government to ensure their requirements are incorporated (dependent on feedback from cross-Whitehall analysts) – See Appendix 1.</p> <p>Compliance with all Central Government requirements for Monitoring and Evaluation (See outline in Appendix 1).</p>
Expectations for Combined Authority	<p>Engagement with the process for developing the framework/plan with input from Directors and topic leads (e.g. Business, Skills, Transport and Infrastructure, Housing, Strategic Planning).</p> <p>Sign off Monitoring and Evaluation Plan (in draft and final form) prior to release.</p> <p>Support for the Integration of approaches between the CPCA Monitoring and Evaluation Plan and previous arrangements (last updated in 2015) for funds administered by the GCGP LEP e.g. effectiveness of funding contribution to Ely Bypass and Whittlesey Crossing.</p>
Resource input	<p>Input from topic experts from within CambridgeshireInsight on monitoring and evaluation including fitting logic models to policy interventions and early identification of evidence and data.</p> <p>Meeting the engagement requirements from BEIS and MHCLG</p> <p>Engaging directly with BEIS and MHCLG, the 'What works Centre', SQW Ltd and the devolved authorities evaluation network.</p>

Curation of Strategic Evidence

Specification Framework	Detail
Rationale	<p>Completion of the monitoring programme and evaluation work requires the development of an evidence base upon which to draw.</p> <p>At present there is only a loose coordination of evidence upon which to draw through various partnerships centred on CambridgeshireInsight.</p> <p>This element of the programme will fulfil a coordination role and (in the language of the Green Book support "<i>The strategic dimension to identify where there are gaps in the evidence base</i>", and commission (or develop with partners) information to fill the gaps.</p>
Outputs	<p>An initial assessment of the evidence base for Cambridgeshire & Peterborough Combined Authority (including an understanding of the process by which evidence is commissioned) taking into account the CPIER.</p> <p>A commissioning strategy to bridge any information gaps based on the risk they pose for fulfilment of the Combined Authority's functions.</p> <p>Management of the commissioning of providers/partners in developing evidence and incorporation in performance and monitoring and evaluation reporting.</p>
Expectations for Combined Authority	<p>Engagement with the process for the assessment of the evidence base and identifying required evidence</p> <p>The lead for CambridgeshireInsight (Michael Soper) will work alongside the Directors and topic leads (e.g. Business, Skills, Transport and Infrastructure, Housing, Strategic Planning) to identify the required evidence and gaps.</p>
Resource input	<p>Input at a senior officer level (Michael Soper) to oversee the assessment of the strategic dimension and identify evidence gaps.</p> <p>Leadership to cover gaps with recommendation for the commissioning of additional evidence gathering or analysis work taking into account the CPIER.</p> <p>Management of the commission of evidence and incorporation within the Monitoring and Evaluation Plan and performance management framework.</p>

Performance Management

Specification Framework	Detail
Rationale	<p>The CPCA will need to track the delivery and achievement of the outputs and outcomes under the four year plan.</p> <p>The programme will reflect the fundamental link between performance and financial expenditure and will develop integrated performance reporting.</p> <p>At its simplest the Framework will ask: How much did we do? How well did we do it? Are people better off?</p>
Outputs	<p>Performance Management Framework, prepared, negotiated, and implemented.¹</p> <p>Performance reporting - delivered 6 times per year (in accordance with the agreed CPCA timetable)</p> <p>Development and collection of agreed performance indicator set.</p> <p>Development of a Performance Reporting Dashboard (including comparators)</p> <p>Publication of agreed performance reports(e.g. public release on the CPCA/ CambridgeshireInsight websites and other agreed communications platforms).</p> <p>Performance Management to include Combined Authority and Business Board (with alignment to GCGP as appropriate) and to include an appropriate mix of contextual, output and outcome indicators.</p>
Expectations for Combined Authority	<p>The integration of performance and financial reporting is central to the performance monitoring arrangements.</p> <p>The CPCA Finance team will support the co-design of the performance framework and support regular reporting with commentary.</p> <p>The Directors and topic leads (e.g. Business, Skills, Transport and Infrastructure, Housing, Strategic Planning) within the CPCA will support the co-design of the performance framework and support regular reporting with commentary.</p>
Resource input	<p>Design of the performance management framework to be led by a Senior Analyst. The performance dashboard will be developed and implemented by an Analyst.</p> <p>Input includes the development of an appropriate mix of contextual, output and outcome indicators.</p>

¹ Example of performance report see County Council GPC Integrated Performance Report

https://cmis.cambridgeshire.gov.uk/ccc_live/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/2/Default.aspx

Management of Independent Evaluation Arrangements

Specification Framework	Detail
Rationale	<p>Collectively BEIS / Devolved Authorities have appointed SQW Ltd to carry out an independent evaluation for elements of each devolution deal (see appendix one). CambridgeshireInsight currently represents both the Combined Authority and the Greater Cambridge Partnership on the steering group for this work.</p> <p>The pattern of engagement will be to negotiate a local evaluation framework with SQW (this will be a local translation of the national framework). Then link SQW to local data and information in order for them to complete their work.</p>
Outputs	<p>A Local Evaluation Framework (together with SQW).</p> <p>Independent Evaluation Report Prior to Gateway 1 for the CPCA.</p>
Expectations for Combined Authority	<p>A clear project programme (Four Year Plan and Medium Term Financial Strategy) so the independent evaluation panel can understand growth fund spending and intended outcomes.</p> <p>SQW input and services will be charged to the CPCA under the terms of the agreed independent evaluation contract between SQW and each of the devolved authorities.</p>
Resource input	<p>Input at a senior officer level to manage the engagement with SQW and secure the interests of the Combined Authority within the design of the local evaluation framework.</p> <p>Senior Analyst and analyst support in collating and presenting evidence to support the evaluation.</p>



BUSINESS BOARD	AGENDA ITEM NO: 4.6
23 SEPTEMBER 2019	PUBLIC REPORT

EUROPEAN UNION EXIT CAPABILITY PROGRAMME

1.0 PURPOSE

- 1.1. To draw to the Business Board's attention the EU Exit Capability Funding provided to the Combined Authority by HM Government, for the purpose of supporting business resilience in the CPCA region in the light of a deal or no deal Brexit.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams Interim Chair of Business Board
Lead Officer:	John T Hill Director Business & Skills
Forward Plan Ref: 2019/066	Key Decision: Yes
<p>The Business Board is recommended to:</p> <p>Note the two schemes to provide support to businesses for the Brexit Basics import and export documentation and associated challenges workshops; and the retention and recruitment of EU workers programmes of support and to comment on them.</p>	

2.0 BACKGROUND

- 2.1 Earlier this year the Secretary of State announced a funding package of £58m to support local authorities in their preparations for the UK leaving the EU. This included an allocation of £40m to be distributed between all local authorities in England, split across 2018/19 and 2019/20. Whilst this funding is not ring-fenced, the expectation is that the funding will be used to enhance capacity and capability within local authorities in preparing for exiting the European Union.

- 2.2 There followed an extra £20 million for councils announced in August 2019 to ramp-up preparations for leaving the EU by appointing a designated Brexit lead. This brings the total funding allocated by the government to help local areas prepare for Brexit to £77 million to date when including the additional amounts made available to Ports of Entry. After researching what was currently available to support Brexit preparations, consulting the Business Advisory Panel and collating the Local Authorities responses, two distinct interventions were identified as being the most significant to pursue.
- 2.3 As this funding is provided to the Combined Authority rather than the Business Board, a recommendation will be made by officers to the Combined Authority Board to allocate £210,000 of the £272,727 received by CPCA, across two schemes designed to improve business resilience across the region and partially address the concerns raised by all businesses.
- 2.4 The first scheme, entitled Brexit Basics, will be contracted services to provide marketing and delivery of Brexit Basics workshops covering aspects of Brexit that businesses are finding challenging, e.g. import and export documentation knowledge. It is anticipated that 500+ businesses will benefit from this activity over a 12-month period. The programme will be designed to be flexible and be able to change in line with changes that will occur over the Brexit period. Improving business capability and resilience during these challenging times will ensure the wider plans of the LIS remain on future track.
- 2.5 The second scheme will address the retention and recruitment of EU workers to curtail the current drain of that valuable workforce and will seek to encourage the take up of settled status whilst promoting the recruitment and better use of skilled and qualified labour amongst that group of individuals. This contracted service will support business growth and productivity in the region, supporting the priorities in the LIS.
- 2.6 The remaining funds are to fund support for the Senior Responsible Officer (SRO or designated Brexit Lead) to further increase the level of resilience support available to businesses with the appointment of staff for a one-year contract with the option to extend subject to EU Exit negotiations outcomes.

3.0 FINANCIAL IMPLICATIONS

- 3.1. The entire funding for these two schemes will come from the CPCA funds allocated to it by HMG and MCHLG thus have no impact on wider CPCA budgets.

4.0 LEGAL IMPLICATIONS

4.1. There are no direct legal implications.

5.0 IMPLICATIONS FOR NATURE

5.1 None

6.0 OTHER SIGNIFICANT IMPLICATIONS

6.1 None

7.0 APPENDICES

7.1 **Appendix 1** – Supporting documents

<u>Background Papers</u>	<u>Location</u>
None	N/A

Brexit becoming too big for cross-border businesses to ignore

New research commissioned by InterTradeIreland underlines that while Brexit is looming large in the background for businesses, most firms are opting to pay no attention to its potential impact. To read more, go to:

<https://intertradeireland.com/news/brexit-becoming-too-big-for-cross-border-businesses-to-ignore/>

eBay calls for Britain's SME exporters to have a voice in future trade deals

eBay has today released new data highlighting the contribution of UK small and medium-sized businesses to UK exports, and is calling for their voices to be heard in future trade negotiations. To read more, go to:

<https://www.ebayinc.com/stories/press-room/uk/ebay-calls-for-britains-sme-exporters-to-have-a-voice-in-future-trade-deals/>

Trade importing and exporting

Frictionless trade in goods has been built up between the UK and the EU for the last 40 years, facilitated by the integration of rules and processes through the single market and customs union. That facilitation has created efficient and low-cost webs of finely tuned supply chains spanning the continent, relied upon by both consumers and businesses. These supply chains are expected to be severely disrupted by no deal, creating wide-spread economic effects. The IMF, for example, believes that the trade disruptions in no deal would be severe and are estimated to cause in the first and second year, respectively, a decline in UK GDP of 1.4% and 0.8% and a decline in EU GDP of 0.2% and 0.1%¹⁷.

- **Are all parties prepared for the effect of no deal on movement of goods?**
No, and many firms are actually anticipated to be less prepared for no deal in October than in March, not least due to Black Friday and Christmas pressures.
- **What does no deal mean for movement of goods in the long-term?**
Supply chains may settle over time and officials become used to enforcing new processes, but no deal means movement of goods becoming permanently more costly and difficult.
- **Is it possible to have no negative consequences on movement of goods without a deal?**
No, without a deal and significant amounts of joint cooperation, disruption is inevitable.

Customs

A range of new customs requirements will be introduced for firms in the event of no deal, with the immediate and then increasing application of a number of laws regulating importing, exporting and the movement of goods as well as health and safety requirements. Almost all measures that facilitate the trade and transportation of goods that the UK currently has with the EU will fall away, leaving businesses to face burdensome customs procedures, declarations and consequent delays at the border. The government has previously estimated that these would range from 4% to 15% of the cost of goods transported¹⁸, while an OECD study found that documentation and customs compliance requirements, lengthy administrative procedures and other delays can increase transaction costs by between 2%-24% of the value of the goods. The introduction of customs requirements in no deal would have immediate and severe impacts on businesses importing and exporting goods between the UK and the EU.

Day 1: UK firms trading with the EU will suddenly experience significant changes to exporting and importing goods, with goods exports required to go through additional processes or be denied entry into the EU. There will be confusion and impacts on the movement of goods at borders, while some firms may avoid trading goods at all if they have stockpiled.

Month 3-6: Over time, firms' uptake of temporary measures offered by the UK should increase, moving the impact of customs burdens to a degree. However, this is also a time of high risk for firms if the EU decides to enact the financial penalties it is entitled to against firms that make mistakes in their customs paperwork.

Year 1-?: The temporary measures introduced by the UK will eventually be removed, creating another wave of no deal impacts. The burden of customs declarations will become permanent, requiring staff to be employed in unproductive roles – in the public and the private sector – managing new processes instead of growth.

Customs is one of the areas where the UK government has offered the greatest number of mitigations possible, yet this has not been reciprocated and disruption is still anticipated



Current Contingency Plans

What has the UK done so far?

- Developed Transitional Simplified Procedures (TSP) which businesses can apply for, with the aim of reducing the amount of information that importers from the EU need to give on a declaration when goods cross the border. **These measures will allow importers to defer giving a full declaration until after the goods have crossed the border, and to pay any duty owed a month after the import**
- Made £8 million available to help private customs intermediaries and businesses increase their customs capacity to manage no deal, **though these grants are no longer available**
- Published documentation outlining that in a no deal scenario the government will **introduced postponed accounting for import VAT on goods brought into the UK**
- Produced a 'partnership pack' with over 100 pages of guidance for businesses on customs processes and procedures
- Proactively organised stakeholder engagement meetings for a number of businesses and organisations to feed into the UK government's contingency

What more could the UK do?

Renew and properly raise awareness of the Intermediaries Grant Scheme which was supporting businesses to upskill their staff in customs procedures

- Commit to rapidly rolling out a program of trials and tests of new no deal IT systems and procedures – including TSP, online registration portals and the promised deferred accounting system for VAT
- Consider automatically issuing EORI numbers, which are essential for trade, to all VAT registered companies
- Ensure that the new Customs Declaration System (CDS) that is taking over from the old system CHIEF is fully rolled out at all ports ahead of 31st October and is stress tested for handling the increased volume of declarations
- Communicate a clear mechanism for feedback from firms managing the complications of third country customs with the EU for the first time
- Take a pragmatic approach to compliance and liability in the first days following exit as firms adjust to new requirements

Source: What comes next CBI August 2019

People

With an estimated 3.6 million EU citizens living in the UK⁹², 1.3 million UK citizens living in EU Member States⁹³, and thousands of employers who have built their businesses on the ability to easily move staff across the Channel – whether to carry out short-term work, provide 'fly-in-fly-out' services, or go on longer-term secondments – the effect of no deal on people is just as important as the effect on trade. The uncertainty about the impact of no deal on people's everyday lives is so

widespread that 74% of CBI members are extremely or moderately concerned about uncertainty for EU citizens as a result of no deal⁹⁴.

- **Are all parties prepared for the effect of no deal on people?**
No, but the UK Government is more prepared than the EU in the short term.
- **What does no deal mean for people in the long-term?**
It will be more expensive and difficult for people to work, study and live across borders.
- **Is it possible to have no negative consequences on people without a deal?**
No. A deal is needed with the EU to avoid a negative impact for people on both sides of the Channel.

Current residents

No deal would throw into doubt millions of people's ability to continue to live, work and study – as well as their access to healthcare, benefits and social services – wherever they are. It would cause unnecessary uncertainty for hundreds of thousands of families, and confusion as Member States attempt to protect citizens' rights in different ways, to varying degrees and with different deadlines, cut-off dates and grace periods. Additionally, the current lack of coherent provisions means more work for individuals – and employers looking to support their staff – as they try to understand the differences a no deal Brexit means.

The UK has provided a sensible grace period to allow current EU citizens resident in the UK to apply for 'Settled Status', but the arrangements for UK citizens in the EU are less clear

Day 1: There will be no change for EU nationals already in the UK or for UK nationals in most Member States, as the majority of governments are providing grace periods to register. However, UK nationals in some Member States may encounter problems on Day 1 of no deal if they have not already registered in advance in the appropriate way.

Month 3 to 6: UK nationals may be required to register in the Member State they are resident in by a set deadline to retain their pre-Brexit rights. For example, Germany has provided a 3 month grace period for applications and France has provided a 6 month time frame.

1 Jan 2021: The grace period for EU nationals in the UK comes to an end. If EU citizens resident in the UK before exit day have not received 'Settled Status' or 'Pre-Settled Status' by then, they will encounter problems when applying for a new job or trying to rent a house.

The UK has gone a long way to protect the rights of EU nationals in the event of no deal, but a much more complex situation faces UK nationals living in the EU



Current Contingency Plans

What has the UK done so far?

- Launched the EU Settlement Scheme which provides a route for every single EU national who is resident in the UK by Brexit day to apply for protection for their rights and a route to permanent settlement
- Provided an entitlement to healthcare for EU citizens resident in the UK on exit day to continue to be able to use the NHS as they do now for a temporary period until December 2020
- Stated that EU citizens in the UK who have already had their professional qualifications recognised in the UK by exit day will be fully protected. Applications for recognition which have been made, but not yet received a decision, will be concluded under the same rules as far as possible
- Confirmed that UK nationals resident in the EU will still be entitled to continue receiving their UK State Pension, and that this will be uprated across the EU in 2019 to 2020
- Reassured UK nationals resident in the EU that they will continue to get their benefits – including child benefit and disability benefit – transferred to them in the EU as before

What more could the UK do?

- Immediately issue reassurance, in a high profile way, to EU citizens in the UK that their rights and eligibility for the EU Settlement Scheme will continue to be guaranteed in the event of no deal
- Renew the direct marketing campaign for the EU Settlement Scheme to raise awareness in the run up to exit day
- Continue to keep FCO guidance for UK nationals in the EU regularly up to date, including signposting and providing links to relevant EU Member State information and webpages
- Keep key GOV.UK pages regularly up to date including 'Important EU Exit information for UK nationals if there's no deal' and individual 'Living in Country' guides. Updates should include the headline 'what you should do' at the top of each national page

Source: What comes next CBI August 2019

Could twin towns bring Britain back together?

By [Ben Glover](#)



An unlikely pair. Image: Wikimedia Commons.

Twin towns: an irrelevant novelty to most of us, a peculiar name on a village's welcome sign. But could linking one British town to another – a domestic reinterpretation of this long-standing European practice – help bring Britain back together in a time of national crisis?

Born in the aftermath of World War II, town twinning aimed to foster cooperation and solidarity across Europe. Communities entered formal alliances, nurturing friendships and shared histories. Coventry [forged](#) links with Dresden and Volgograd, then Stalingrad, marking the devastation faced by their citizens during the war.

The democratisation of Greece, Spain and Portugal during the 1970s led to a new wave of twin towns across Europe, as did the fall of the Soviet Union a decade later. Since its inception, the focus of town twinning has been on uniting people through relationships. It is a testament to the initiative's success that many of these remain to this day; Coventry recently [enjoyed](#) a performance at the city's cathedral by Volgograd's children's choir.

While European relations have improved since the 1940s, unity at home has received less attention. As a result, Britain is riven with deep economic, political, educational and cultural divides. These fault lines are increasingly determined by geography, with a growing gap between our big metropolitan cities and almost everywhere else.

In comparison to other European countries, we face staggering levels of regional inequality; [six of the ten](#) poorest regions in northern Europe can be found in the

UK. As [outlined](#) by Alan Milburn, the government's former social mobility tsar, "the country seems to be in the grip of a self-reinforcing spiral of ever-growing division. That takes a spatial form, not just a social one."

These divisions are poisoning our body politic. As Adam Smith [argued](#) in *The Theory of Moral Sentiments*, putting yourself in someone else's shoes is vital for developing a moral compass; in doing so "we conceive ourselves enduring all the same torments, we enter as it were into his body, and become in some measure the same person with him..." But this is difficult when we have little interaction or experience of those with opposing views.

This is increasingly likely in geographically polarised Britain, with the places we live dominated by people who think alike. Our political leaders must commit time and energy to bridging these divides, just as the leaders of Europe did in the aftermath of the Second World War. By forging links between different parts of the country, a new era of domestic town twinning would do just that.

School exchanges between sister towns would offer an opportunity for children to be exposed to places, people and perspectives very different to their own. This would allow future generations to see things from an alternative and opposing perspective. It may also embed from a young age an awareness of the diversity of experiences seen by people across our highly unequal country.

MPs would be encouraged to spend time in their constituency's sister town. First-hand exposure to voters in a very different part of the country would surely soften the views of even the most entrenched parliamentarian, making for a more civil debate in the Commons. Imagine the good this would do for Parliament today, with Brexit gridlocked because of the unwillingness of MPs to compromise.

In 2016 the Carnegie UK Trust [launched](#) its Twin Towns UK programme, a pilot linking twenty towns across the UK to examine how they might develop together. Emerging benefits [include](#) a reduction of insularity and a greater awareness of the bigger picture. Its focus was not on bridging economic divides – towns with similar socioeconomic characteristics were twinned – but initial outcomes from the scheme suggest a broader programme of domestic town twinning could have a powerful impact.

Looking further back, Camden has been [twinned](#) with Doncaster since the 1980s, a relationship that unionised Camden Town Hall workers [forged](#) in a display of solidarity with striking miners during the 1980s. Funds were [raised](#) to feed families of striking workers at the pit and Camden locals even [drove north](#) to deliver presents at Christmas. Though the relationship appears less active today, it serves as a powerful reminder of twinning's capacity to bring people from very different places together.

As we prepare for Brexit it's imperative that we protect existing twin town relationships with our European partners. This is of vital importance when we know sadly many of these are under threat from [austerity](#) and gloriously un-PC [mayors](#). But we should look to breathe new life into these traditions too, where possible. Domestic town twinning would do just that: a step towards bringing Britain back together, just as a continent was reunited after the devastation of war.

Ben Glover is a researcher at the think tank Demos.



BUSINESS BOARD	AGENDA ITEM NO: 4.7
23 SEPTEMBER 2019	PUBLIC REPORT

UPDATE ON BUSINESS BOARD MEMBER RECRUITMENT

1.0 PURPOSE

- 1.1. At its meeting on 22 July 2019 the Business Board agreed the process and timetable for the recruitment of 6 additional Business Board members, and the appointment of a permanent Chair.
- 1.2. This paper provides an update to the Business Board to report on progress made with the recruitment campaign.

<u>DECISION REQUIRED</u>	
Lead Member/s:	Austen Adams, Interim Chair of the Business Board
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: No
The Business Board is recommended to: Note progress made against the agreed process and timetable for the recruitment of additional Business Board members.	

2.0 BUSINESS BOARD MEMBER RECRUITMENT UPDATE

- 2.1. The Business Board member recruitment advert went live on 27th August and was published on the Cambridgeshire and Peterborough Combined Authority's (CPCA) website. The advert is appended as Appendix 1 to this report.

- 2.2. A promotional video was also produced to showcase the role of the Business Board and to support the recruitment campaign. This was published on the CPCA LinkedIn page. A link to the page is provided below.
- 2.3. It was agreed the advert would be openly advertised on a variety of platforms to ensure that people across the business community have an opportunity to apply and consider the diversity requirements of the Board. The advert was promoted via several partner platforms, including Opportunity Peterborough, Cambridge Wireless, TWI, LEP Network, Growth Hubs Network, One Nucleus, Chamber of Commerce, FSB, IOD (Institute of Directors) and IED (Institute of Economic Development).
- 2.4. The recruitment campaign also featured in local press to maximise exposure, and editorials were published in the Peterborough Telegraph and Cambridge News. The links to press coverage are provided below.
- 2.5. Recruitment will close on 18th October and all applications will be reviewed and a final shortlist of candidates will be invited to interview.
- 2.6. In accordance with the Business Board Constitution (Section 9 - Recruitment, Appointment and Termination of Private Sector Members), the shortlisting and interviewing of candidates is carried out by a nominated panel, consisting of Chair and Vice-Chair of the Business Board, and the Mayor of Cambridgeshire and Peterborough Combined Authority or the Combined Authority's Lead Member for Economic Growth.
- 2.7. The date for interviews is to be agreed, following which a final list of recommended appointees will be presented at the Business Board meeting in November.
- 2.8. All existing and new Board members will be invited to apply for the role of permanent Chair.

3.0 BOARD MEMBER SKILLS MIX

- 3.1 The following criteria have been agreed for appointing Board Members to the Business Board. The criterion is independent of business representative organisations and therefore membership to the Business Board will not require membership of any business representation body.
- 3.2 Private sector representatives must have experience of being a Chair/CEO/MD/Senior Manager/Senior Partner of a business and therefore be:
 - A successful businessperson
 - Dynamic with good communication skills
 - Passionate about improving Cambridgeshire & Peterborough.
- 3.3 Board Members should be able to demonstrate:
 - High level and broad management skills, both at a strategic and operational level, utilised in a complex organisation or SME.

- An understanding of how to translate local, regional, national government policy into workable, strategically focussed on delivery and improvement.
- An extensive knowledge of the needs of specific sectors/stakeholders including barriers to business growth (e.g. skills) and their impact upon Cambridgeshire & Peterborough particularly from the growth and enabling sectors.
- Political Awareness.
- A knowledge of designing and implementing approaches to working to constantly assess and challenge the effectiveness and efficiency across a broad range; not limited to a single specialism.
- The ability to create an environment in which new opportunities are created and acted upon.
- Knowledge of “best practices” and industry wide benchmarking activities to achieve efficiency and a high level of performance.
- The ability to proactively engage in influencing the shaping of policy and direction.
- An understanding of how to use the media to promote and market the work of the CPCA and the Business Board.
- The ability to be a change management leader for Cambridgeshire & Peterborough.

4.0 BOARD MEMBER COMPETENCIES

4.1 The following competencies have been identified and agreed as necessary for the effective execution of a Board member role:

- Performance and Result Focus – focuses energy and commitment on achieving results that are critical to the success of the Business Board, stakeholders and partners.
- Innovation and Continuous Improvement – demonstrates an open mind to challenge traditional approaches. Approach taken is always improvement orientated.
- Leadership – creates and communicates a shared vision which inspires enthusiasm and commitment to achieve aspirations of the Business Board
- Commercial Awareness – understands the environment in which the Business Board and Local Authorities partners operate. Considers the financial and wider commercial/sub regional implications of their decisions and actions.
- Strategic Thinking – sets, pursues with vigour, and regularly reviews a clear strategic course aimed at enabling long-term growth and success.
- Representation – it is compulsory that all Business Board make themselves available for at least 2 supplementary sub-committee or panel as and when required.

5.0 THE TERM OF APPOINTMENT

5.1 All appointments and re-appointments will be made in compliance with agreed stipulations regarding terms of office. Business Board members will normally serve for a period of three years renewable for one further term subject to the

approval of the Business Board and subject any such performance review as the Business Board may establish.

6.0 FINANCIAL IMPLICATIONS

6.1. There are no financial implications.

7.0 LEGAL IMPLICATIONS

7.1. The requirements as to recruitment of the Business Board Chair and Members are set out in the Business Board Constitution and are explained in the report and appendices.

8.0 APPENDICES

8.1. Appendix 1 - Recruitment Advert

<u>Background papers</u>	<u>Location</u>
CPCA LinkedIn	https://www.linkedin.com/company/cambs-pboro-combined-authority
Peterborough Telegraph	https://www.peterboroughtoday.co.uk/business/more-industry-chiefs-from-peterborough-needed-for-mayor-s-team-1-9051264
Cambridge News	https://www.cambridgenetwork.co.uk/news/search-brightest-and-best-business-board-recruits-drive-regional-enterprise
Business Board Constitution	https://cambridgeshirepeterborough-ca.gov.uk/assets/Business-Board/BB-Constitution-May-2019-1.pdf

NON-EXECUTIVE DIRECTOR FOR THE COMBINED AUTHORITY BUSINESS BOARD

INDUSTRY LEADERS WANTED TO SHAPE OUR LOCAL ECONOMY

New opportunity to be a part of a leading panel to shape our local industrial strategy, influence policy and investment.

The Cambridgeshire and Peterborough Combined Authority (CPCA) is looking for volunteer members to become part of the Business Board. The Business Board will enable significant economic growth in the region by providing visionary leadership and challenge to the CPCA, Government and partners. We are looking for people with the right skills, abilities and talents to help deliver our vision for the future.

What is the Business Board?

The Board will be comprised of business leaders and industry experts. Your primary role will be to represent the views and interests of private sector businesses. The Board ensures there is a clear business perspective as the Combined Authority seeks to be at the frontier of accelerating delivery and securing new investment across the identified 3 sub-economies of Greater Cambridge, Greater Peterborough and the Fens.

The Business Board is advising the Combined Authority on its development of the 2030 Ambition; ensuring the area becomes a leading place in the world to live, learn and work. The Board gives commerce a strong voice in strategy development whilst always ensuring that decisions are taken in the best interests for Cambridgeshire and Peterborough.

Why join the Business Board?

The appointments are based solely on merit creating an environment where businesses flourish by sharing the ambitions of the CPCA. You will have the opportunity to personally make a tangible difference to our area and the economy on a local, national and international stage.

What will I do?

We are looking to recruit 6 additional members and appoint a permanent Chair to the Business Board. Business Board members will be expected to attend 6- 8 Board Meetings a year and represent the Business Board at special events and other associated meetings on an adhoc basis.

All members will be remunerated according to their role on the Business Board.

The Chair of the Business Board will have an official seat on the Combined Authority Board, with a Vice Chair welcomed as an observer also to enable a smooth flow of information and views between the two Boards.

Person Specification

You must inspire confidence in the local business community and within Local Government with strong networking experience. We are interested in applications from Entrepreneurs and Small or Medium Sized Enterprises, and particularly keen to recruit industry leaders within the following key sectors:

- Agri – Food, Drink & Horticulture
- Advanced Manufacturing & materials
- Life Sciences & Healthcare
- Digital, ICT and Creative

Key Skills

- Strategic and Leadership
- Enthusiasm
- Collaborative
- Strong desire to make a positive contribution

We are keen to build a diverse Board that is representative of our community, and we are dedicated to supporting a fully inclusive culture and welcome applications from all sections of the community, regardless of age, gender, ethnicity, sexual orientation, faith or disability.

The Combined Authority will appoint new members on merit, and in accordance with Government requirements, we are also aiming to improve the gender balance and representation of those with protected characteristics.

For further information or for an informal discussion about the role please contact John T Hill on 01480 277180 or email hr@cambridgeshirepeterborough-ca.gov.uk
Please submit CVs with a covering letter to
[**bboardrecruitment@cambridgeshirepeterborough-ca.gov.uk**](mailto:bboardrecruitment@cambridgeshirepeterborough-ca.gov.uk)

BUSINESS BOARD FORWARD PLAN

AS AT 13TH SEPTEMBER 2019

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
Business Board – 23rd September 2019 (Combined Authority – Alconbury Weald)							
1.	Minutes of the Meeting on 22nd July 2019	Business Board	23rd September 2019	Decision	To approve the minutes of the last meeting as a correct report	<i>Monitoring Officer for Combined Authority</i>	Chair
2.	Combined Authority Update	Business Board	23rd September 2019		To provide BB members with an update on overall issues concerning the Combined Authority.	<i>Domenico Cirillo, Business Space Manager</i>	Chair
3.	Business Advisory Panel Update	Business Board	23rd September 2019	Decision	To provide BB members with an update on the Business Advisory Panel	<i>John Stenhouse, Growth Hub Manager</i>	Chair
4.	OxCam Arc Update	Business Board	23rd September 2019		To provide BB members with an update on the OxCam Arc.	<i>John T Hill, Director Business & Skills</i>	Chair
5.	Digital Strategy Presentation and Discussion on Implementation	Business Board	23rd September 2019	Decision	To Discuss Strategy and agree interventions	<i>John T Hill, Director Business & Skills</i>	Chair
6.	Local Growth Fund Project Proposals – September 2019	Combined Authority Board	25th September 2019	Key Decision 2019/049	<i>Identified on CA Forward Plan as Key Decision for 25th September</i>	<i>John T Hill, Director Business & Skills</i>	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
7.	Local Growth Fund Update – September 2019	Combined Authority Board	25th September 2019	Decision	To monitor and review programme performance and risks Recommend projects for approval to CA Board (if required)	<i>John T Hill, Director Business & Skills</i>	Chair
8.	Strategic Partnership Agreements	Combined Authority Board	25th September 2019	Decision	To recommend Memorandums of Understanding with neighbouring Local Enterprise Partnerships	<i>John T Hill, Director Business & Skills</i>	Chair
9.	Greater South East Energy Hub Board	Combined Authority Board	25th September 2019	Decision	To recommend the establishment of the Greater South East Energy Hub Board in line with the draft Terms of Reference (from May 2019 Business Board)	<i>John T Hill, Director Business & Skills</i>	Chair
10.	Local Industrial Strategy Update: Delivery Plan	Combined Authority Board	25th September 2019	Decision	To recommend the Delivery Plan to support mobilisation of the Local Industrial Strategy	<i>John T Hill, Director Business & Skills</i>	Chair
11.	Private Sector Board Members Expenses and Allowances Scheme	Business Board	25th September 2019	Decision	To note the CA Board's decision on allowances.	<i>Monitoring Officer for Combined Authority</i>	Chair

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	DECISION	PURPOSE	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER
12.	Monitoring & Evaluation Framework	Business Board	23rd September 2019	Decision		<i>Paul Raynes, Director Strategy & Delivery</i>	
13.	European Union Exit Capability Programme	Combined Authority Board	25th September 2019	Key Decision 2019/066			
14.	Update on Business Board Member Recruitment	Business Board	23rd September 2019	Decision	To provide an update on the process of recruiting new members to the Business Board.	<i>Domenico Cirillo, Business Space Manager</i>	
15.	Business Board Headlines for Combined Authority Board	Business Board	23rd September 2019				
16.	Forward Plan	Business Board	23rd September 2019	Decision	To note the forward plan	<i>Monitoring Officer for Combined Authority</i>	Chair

Business Board – 25th November 2019 (To be hosted by a Business Board member – Venue to be confirmed)							
1.	Minutes of the Meeting on 23rd September 2019	Business Board	25th November 2019	Decision	To approve the minutes of the last meeting as a correct report	<i>Monitoring Officer for Combined Authority</i>	Chair
2.	Combined Authority Update	Business Board			To provide BB members with an update on overall issues concerning the Combined Authority.	<i>Domenico Cirillo, Business Space Manager</i>	Chair
3.	Business Advisory Panel Update	Business Board	25th November 2019	Decision	To provide BB members with an update on the Business Advisory Panel	<i>John Stenhouse, Growth Hub Manager</i>	Chair
4.	OxCam Arc Update	Business Board			To provide BB members with an update on the OxCam Arc.	<i>John T Hill, Director Business & Skills</i>	Chair
5.	Local Growth Fund Project Proposals – November 2019	Combined Authority Board	27th November 2019	Key Decision 2019/067	<i>Identified on CA Forward Plan as Key Decision for 27th November 2019</i>	<i>John T Hill, Director Business & Skills</i>	Chair
6.	Local Growth Fund Update – November 2019	Combined Authority Board	27th November 2019	Decision	To monitor and review programme performance and risks Recommend projects for approval to CA Board (if required)	<i>John T Hill, Director Business & Skills</i>	Chair

7.	Accountable Body Agreement between the Combined Authority and Business Board	Combined Authority Board	27th November	Decision	To agree the principles of an Accountable Body Agreement between the Business Board and Combined Authority Board	<i>Rob Emery, Section 151 Officer to the Business Board</i>	Chair
8.	Local Industrial Strategy Delivery Plans Outline Business Case	Combined Authority Board	27th November	Key Decision 2019/064	To recommend the Outline Business Case for the Business Growth Service, as a key element of the Local Industrial Strategy Delivery Plans.	<i>John T Hill, Director Business & Skills</i>	Chair
9.	Assurance Framework	Combined Authority Board	27th November	Decision	To recommend any revisions to the Assurance Framework following final checks against Government guidance.	<i>John T Hill, Director Business & Skills</i>	Chair
10.	Business Board Headlines for Combined Authority Board	Business Board					
11.	Forward Plan	Business Board	25th November 2019	Decision	To note the forward plan	<i>Monitoring Officer for Combined Authority</i>	Chair
Business Board – 27th January 2020 (Combined Authority – Alconbury Weald)							
1.	Minutes of the Meeting on 25th November 2019	Business Board	27th January 2020	Decision	To approve the minutes of the last meeting as a correct report	<i>Monitoring Officer for Combined Authority</i>	Chair

2.	Combined Authority Update	Business Board			To provide BB members with an update on overall issues concerning the Combined Authority.	<i>Domenico Cirillo, Business Space Manager</i>	Chair
3.	Business Advisory Panel Update	Business Board	27th January 2020	Decision	To provide BB members with an update on the Business Advisory Panel	<i>John Stenhouse, Growth Hub Manager</i>	Chair
4.	OxCam Arc Update	Business Board			To provide BB members with an update on the OxCam Arc.	<i>John T Hill, Director Business & Skills</i>	Chair
5.	Local Growth Fund Project Proposals – January 2020	Combined Authority Board	29th January 2020	Key Decision 2020/005	<i>Identified on CA Forward Plan as Key Decision for 29th January 2020</i>	<i>John T Hill, Director Business & Skills</i>	Chair
6.	Local Growth Fund Update – January 2020	Combined Authority Board	29th January 2020	Decision	To monitor and review programme performance and risks Recommend projects for approval to CA Board (if required)	<i>John T Hill, Director Business & Skills</i>	Chair
7.	Business Board Headlines for Combined Authority Board	Business Board					
8.	Forward Plan	Business Board	27th January 2020	Decision	To note the forward plan	<i>Monitoring Officer for Combined Authority</i>	Chair

**Business Board – 23rd March 2020
(Combined Authority – Alconbury Weald)**

1.	Minutes of the Meeting on 27th January 2020	Business Board	23rd March 2020	Decision	To approve the minutes of the last meeting as a correct report	<i>Monitoring Officer for Combined Authority</i>	Chair
2.	Combined Authority Update	Business Board			To provide BB members with an update on overall issues concerning the Combined Authority.	<i>Domenico Cirillo, Business Space Manager</i>	Chair
3.	Business Advisory Panel Update	Business Board	23rd March 2020	Decision	To provide BB members with an update on the Business Advisory Panel	<i>John Stenhouse, Growth Hub Manager</i>	Chair
4.	OxCam Arc Update	Business Board			To provide BB members with an update on the OxCam Arc.	<i>John T Hill, Director Business & Skills</i>	Chair
5.	Local Growth Fund Project Proposals – March 2020	Combined Authority Board	25th March 2020	Key Decision 2020/006	<i>Identified on CA Forward Plan as Key Decision for 25th March 2020</i>	<i>John T Hill, Director Business & Skills</i>	Chair
6.	Local Growth Fund Update – March 2020	Combined Authority Board	25th March 2020	Decision	To monitor and review programme performance and risks Recommend projects for approval to CA Board (if required)	<i>John T Hill, Director Business & Skills</i>	Chair
7.	Business Board Headlines for Combined Authority Board	Business Board					

8.	Forward Plan	Business Board	23rd March 2020	Decision	To note the forward plan	<i>Monitoring Officer for Combined Authority</i>	Chair
Business Board Annual Meeting – 26th May 2020 (Venue to be confirmed)							
1.	Minutes of the Meeting on 23rd March 2020	Business Board	26th May 2020	Decision	To approve the minutes of the last meeting as a correct report	<i>Monitoring Officer for Combined Authority</i>	Chair
2.	Combined Authority Update	Business Board			To provide BB members with an update on overall issues concerning the Combined Authority.	<i>Domenico Cirillo, Business Space Manager</i>	Chair
3.	Business Advisory Panel Update	Business Board	26th May 2020	Decision	To provide BB members with an update on the Business Advisory Panel	<i>John Stenhouse, Growth Hub Manager</i>	Chair
4.	OxCam Arc Update	Business Board			To provide BB members with an update on the OxCam Arc.	<i>John T Hill, Director Business & Skills</i>	Chair
5.	Local Growth Fund Project Proposals – May 2020	Combined Authority Board	28th May 2020	Decision	<i>Identified on CA Forward Plan as Key Decision for 25th March 2020</i>	<i>John T Hill, Director Business & Skills</i>	Chair
6.	Local Growth Fund Update – May 2020	Combined Authority Board	28th May 2020	Decision	To monitor and review programme performance and risks Recommend projects for approval to CA Board (if required)	<i>John T Hill, Director Business & Skills</i>	Chair

7.	Constitution Review	Business Board	26th May 2020	Decision	To review the Business Board section of the CPCA Constitution (Appendix 5)	<i>Monitoring Officer for Combined Authority</i>	Chair
8.	Business Board Headlines for Combined Authority Board	Business Board					
9.	Forward Plan	Business Board	26th May 2020	Decision	To note the forward plan	<i>Monitoring Officer for Combined Authority</i>	Chair

SUBMIT YOUR COMMENTS OR QUERIES TO BUSINESS BOARD

Your comment or query:

How can we contact you with a response?
(please include a telephone number, postal and/or e-mail address)

Name

Address

.....

Tel:

Email:

Who would you like to respond?

