

Agenda Item No: 4.3

Cambridgeshire and Peterborough Growth Company Business Plan 2022-2023

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 January 2023
Public report:	Yes
Lead Member:	Councillor Anna Smith, Statutory Deputy Mayor
From:	Steve Clarke, Interim Associate Director Business
Key Decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">(a) Approve the Growth Company Business Plan for 2023.(b) Give consent for the updated business plan to be adopted by the Cambridgeshire and Peterborough Growth Company Ltd.
Voting arrangements:	<p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 To share the updated business plan for the Cambridgeshire and Peterborough Growth Company Ltd (Growth co) with the Combined Authority Board and to seek approval for the updated business plan for 2023.
- 1.2 To seek shareholder consent from the Combined Authority for the Growth Co to adopt the revised business plan.

2. Background

- 2.1 On 27th November 2019, the Cambridgeshire and Peterborough Combined Authority (CPCA) Board endorsed the 'Business Growth Service Outline Business Case' and agreed to the establishment of a Business Growth Service Management Company initially to be a wholly owned subsidiary of Angle Holdings Limited. The Business Case was formally approved by the Combined Authority for the 3-year local business growth and development programme to be delivered from February 2021 through the new service management company subsidiary of the CPCA, which was renamed the Cambridgeshire and Peterborough Growth Company Ltd (Growth Co).
- 2.2 At the beginning of 2021 as part of the approved Business case funding package the Combined Authority subsequently invested an additional £5.4 million of Local Growth Fund capital into the Growth co in return for 5.4 million shares, making the Combined Authority the majority shareholder. During 2022 the Combined Authority Board approved an additional £400,000 investment into Growth co from the Business Board Recycled Local Growth Fund in return for another 400,000 shares. Angle Holdings Limited currently holds 1 share in Growth co and is currently being wound up by the CPCA and its minority single share held in Growth co will be surrendered or sold.
- 2.2 Growth Co's singular business mission is as a fund management and contracting vehicle to procure and manage the private sector to deliver the Business Growth Service programme (Growth Works) comprising of growth coaching, skills brokerage and inward investment promotion as well as managing an allocated amount of Local Growth Fund finance to be used as grants and equity investment in businesses in the Cambridgeshire and Peterborough area.
- 2.3 The delivery of the Growth Works programme has just completed year 2 of the 3-year contract and the focus for the Growth co is the successful delivery of the 3rd year outcomes plus reviewing options and attracting funding for the delivery of any future business growth and skills support programmes beyond the end of December 2023.

3. Business Plan 2023

- 3.1 The Business Plan provides a framework for the strategic operations of the Growth Co, specifically:
 - Governance, Board and Shareholder structure for the Growth Co
 - Financial overview of the Growth Co
 - Performance deliverables and contract management structures

- Benefits and advantages of Growth Co

- 3.2 The three directors of Growth Co consist of an Independent Chairperson, plus the Interim Operations Director and the Chief Finance Officer for the CPCA. The Directors reviewed and approved the revised 2023 business plan at their Board meeting on the 14th December 2022. The shareholder agreement does require that the Combined Authority gives consent for the approval of the business plan.
- 3.3 The Growth Co Board of Directors are responsible for the strategic direction and success of the company in delivering its sole mission of the Business Growth Service Programme. Growth Co will maintain an effective service and financial performance management reporting system which will include reports to the CPCA Board, Audit and Governance Committee, Business Board and Skills Committee as applicable. Growth Co will be subject to any audit and inspection requirements of the CPCA in its role as the major shareholder.

Significant Implications

4. Financial Implications

- 4.1 The Business Plan for 2023 details:
- Cash flow
 - Proposed operating costs
 - Proposed costs including overhead recharge from Growth Co to CPCA

5. Legal Implications

- 5.1 The shareholder agreement requires that the Combined Authority gives consent prior to adoption of the Business Plan by Growth co.

6. Environmental & Health Implications

- 6.1 The delivery of the Business Growth Service Programme will have a positive impact on public health regarding the creation of key employment, skills, or social impact outcome improvements across the Combined Authority area. Good work and personal skills development are a key determinant and contributor of positive health outcomes.

7. Other Significant Implications

- 7.1 None.

8. Appendices

- 8.1 Appendix 1 – Growth Co Business Plan 2023
- 8.2 Appendix 2 – Growth Co Risk Register (December 2022)

9. Background Papers

9.1 [Combined Authority Board 27 January 2021 - Item 3.3](#)