



Business Board: Minutes

(Draft minutes published on 25th July 2022)

Date: 11th July 2022

Time: 2:30pm – 4:40pm

Present: Andy Neely (Acting Chair), Vic Annells, Belinda Clarke, Mike Herd, Faye Holland, Mayor Dr Nik Johnson, Al Kingsley, Jason Mellad, Nitin Patel, Rebecca Stephens and Andy Williams

86. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Tina Barsby and Councillor Lewis Herbert.

There were no declarations of interest.

87. Appointment of Chair of the Business Board

The Business Board received a report seeking the appointment of a Chair, following the resignation of Austen Adams in May 2022. After an eight-week recruitment campaign that had been supported by recruitment advisors Penna, seven applications had been received, of which four were invited for an interview. The interviews had been held on 7th July 2022, and the Business Programmes and Business Board Manager informed members that Alex Plant had been selected and recommended by the appointment panel.

While discussing the report, the Business Board:

- Paid tribute to all those who had applied for the role, noting their diverse attributes and strengths, but welcomed that the appointment panel's decision had been unanimous.
- Clarified that Alex Plant had experience working in the public sector, both in national and local government, and was currently working in the private sector. The Business Programmes and Business Board Manager undertook to provide members with a more detailed biography. **Action required**

It was resolved unanimously to:

Approve the appointment of Alex Plant as the Chair of the Business Board, for a period of two years, subject to clearing due diligence checks and completing induction training

88. Minutes – 9th May 2022

The minutes of the meeting held on 9th May 2022 were approved as a correct record.

The minutes of the extraordinary meeting held on 24th June 2022 were approved as a correct record.

The Business Board noted the Minutes Action Log.

89. Budget and Performance Report

The Business Board received the latest budget and performance report, which provided an update and overview of the revenue and capital funding lines within the Business and Skills directorate, including 2021/22 year-end positions of the various projects and programmes. Although Table 1 of the report indicated that only £1.1m income had been received against a budget of £2.6m, the Business Board Section 73 Officer clarified that this was due to delays and that delivery was expected to occur in 2022/23. He also clarified that although Table 4 of the report appeared to state that a £2m spend on the University of Peterborough Phase 3 had occurred without an accompanying budget, the funds had been approved by the Business Board in March 2022, but the actual expenditure would occur in 2022/23. Future resources available for the Business Board were significantly lower than in previous years, although this was due to the completion of the Local Growth Fund (LGF) and the lack of a replacement programme. Following the Government's Levelling Up White Paper of February 2022, which proposed changes to the role of Local Enterprise Partnerships (LEPs) across the country, a report on the issue would be presented to the Business Board at its meeting in September 2022.

The Business Board Section 73 Officer informed members that the Combined Authority had received a letter from the Department for Levelling Up, Housing and Communities (DLUHC), confirming that £1.3m funding had been paused due to weaknesses in the Combined Authority's governance arrangements. Noting that this included £375k of LEP Core Funding, he emphasised that DLUHC did not have any concerns about the operations or decision-making of the Business Board, rather the LEP Core Funding payment just fell in the period that funding to the Combined Authority was being paused. He also confirmed that the pause in funding had no immediate impact on the ability of the Business Board to function, including the delivery of projects that were ongoing and the consideration or approval of funding for new projects, and that there would be no disruption to cashflow or the ability to make any due payments. Notwithstanding, the Combined Authority would not need to resolve the concerns that had been raised in order to unblock the funding, and the new Chief Executive had undertaken to develop and deliver the improvement plan, which would be presented to the Combined Authority Board on 27th July 2022.

While discussing the report and the update on the letter received from DLUHC, the Business Board:

- Expressed concern about the weaknesses that had been identified by the Government and sought clarification on when its concerns had been raised with the Combined Authority. It was confirmed that the letter received from DLUHC was the first formal correspondence on the matter.
- Welcomed the initial discussions that had been held between the new Chief Executive of the Combined Authority and the Acting Chair of the Business Board, and noted the opportunity for the new Chair of the Business Board to develop and strengthen the relationship. Members requested that the Chief Executive be invited to future Business Board meetings. **Action required**
- Expressed concern that the weaknesses included shortcomings of external providers, suggesting that the selection process for such providers should ensure that they did not compromise the efficacy of the Business Board or Combined Authority.
- Sought reassurance that the processes in place to regularly monitor the spend profile against projects and track progress of their delivery were sufficiently robust. Noting that monthly meetings were held between finance business partners and individual project leads to discuss actuals and agree a forecast outturn, the Business Board Section 73 Officer informed members that this process had been made more rigorous by the additional involvement of the project management officer.
- Queried whether funding providers had expressed any concerns about the significant carry forwards that were included in the budget. Observing that greater attention was often given to the issue in the build-up to funding deadlines, the Business Board Section 73 Officer noted that funders generally maintained an active dialogue and raised any concerns when they arose.

It was resolved unanimously to:

- a) Note the outturn financial position relating to the revenue and capital funding lines within the Business and Skills directorate for the 2021/22 financial year; and
- b) Note the anticipated opening budget position for 2022/23.

90. Strategic Funds Management Review – July 2022

The Business Board received an update on strategic funding programmes and their progress to 1st June 2022, including the LGF, Recycled LGF, the Community Renewal Fund (CRF), the Levelling Up Fund (LUF) and the UK Shared Prosperity Fund (UKSPF). Attention was drawn to section 4.1 of the report, which included information on a potential risk of delay to the opening of the North Cambridgeshire Training Centre (NCTC) in Chatteris, scheduled for September 2022, due to a problem with access to the site and difficulties in funding £347k for the necessary infrastructure work to resolve it. A request for additional funding would be presented to the Combined Authority Board

on 27th July 2022, and it was confirmed that this funding would not be related to the Business Board's resources. On 24th June 2022, the Business Board recommended three projects for approval of recycled LGF, and it was confirmed that the funding had been subsequently approved by Mayoral Decision Notice. A fourth project, on which the Business Board had deferred making a decision, would be presented at the Business Board meeting on 12th September 2022.

While discussing the report, the Business Board:

- Sought clarification on how robustly the efficacy of job creation for projects was being monitored in comparison to original forecasts. Noting that officers performed its own level of monitoring, questioning and evidence gathering, the Senior Responsible Officer for LGF, Market Insight & Evaluation informed members that Metro Dynamics had been commissioned to carry out a deep dive evaluation on the second tranche of LGF projects, following a previous such evaluation that had been carried out independently in 2021. He noted that this initial evaluation had demonstrated the increased value and better performance of projects that had been funded by the Business Board, as opposed to the former Greater Cambridgeshire Greater Peterborough LEP.
- Expressed concern about the potential delay to the opening of the NCTC and the impact that this would have on apprentices due to start in September 2022. Acknowledging the concerns, the Senior Responsible Officer highlighted that even if funding was awarded by the Combined Authority Board on 27th July 2022, the contractor that had been lined up to carry out the work would still have to obtain the necessary license from the County Council to close the road for the work to place, which could take a number of weeks and still delay the opening. He reassured members that the education provider at the NCTC was preparing contingency plans to ensure that in such circumstances the learners would still be able to commence their courses in an alternative location.
- Queried whether the NCTC would be able to be accessed via the adjoining property that was unaffected by the issue with the A141 roundabout. Emphasising that the centre would not be able to open until the issue with the junction had been resolved, the Senior Responsible Officer confirmed that access through the adjoining property had been investigated, but health and safety were significant concerns as it was an industrial factory.
- Observed that the NCTC was due to have opened by the time of the next Business Board meeting on 12th September 2022, and requested to be provided with an update at that meeting to confirm that the matter had been resolved. **Action required**
- Suggested that lessons should be learnt from this situation with the NCTC to avoid similar issues arising in the future with other projects. Noting that this had already been considered, the Senior Responsible Officer suggested that the major learning point was that project owners needed to carry out highways assessments in far more detail than they sometimes thought.

- Clarified that the communications team was aware of the situation with the NCTC, as with all red flag projects, in order to be able to respond to any criticism that may be received.

It was resolved unanimously to:

Note all programme updates outlined in this report.

91. UK Shared Prosperity Fund Investment Plan Update

The Business Board received a report which provided an update on the progress to develop the UK Shared Prosperity Fund (UKSPF) Local Investment Plan for Cambridgeshire and Peterborough, and which included the list of proposed projects to be included within the Local Investment Plan, as well as an outline of the process and governance mechanism to approve the Local Investment Plan and to manage delivery of funding to the projects. Although work continued to be carried out developing the Local Investment Plan, the final version would be presented to the Combined Authority Board at its meeting on 27th July 2021, prior to the submission deadline of 1st August 2022.

While discussing the update report, the Business Board:

- Noted the involvement of the Cambridgeshire Public Service Board (CPSB) in the development of the Local Investment Plan, and queried whether the Business Board had any input on the list of projects through the CPSB. Acknowledging that the Business Board was being consulted at a late stage of its development, the Senior Responsible Officer for LGF, Market Insight & Evaluation emphasised that the decision to work with the CPSB was because it included representatives of all the key local stakeholders. He also noted that the projects would be required to go through a further phase that included verification of their deliverability.
- Clarified that further projects could still be considered for inclusion, although it was acknowledged that they would have to be supported by the local authority relevant to the area in which they were located, as well as the fact that the deadline for submission of the Local Investment Plan was only three weeks away.
- Observed that the Economic Growth Strategy had identified various areas in which work needed to be carried out and for which funding had been unavailable, and suggested that such projects could fall within the scope of the UKSPF. The Senior Responsible Officer informed members that some of the proposed projects were based on the Economic Growth Strategy, although he noted that due to the fund's requirements and restrictions, the actual amounts for allocation were relatively small and therefore would not have as significant an impact as had been hoped for.
- Suggested that it would be beneficial to avoid funding projects that could already receive funding via Growth Works. Informing members that work had been carried out already to minimise duplication on various levels, the Senior Responsible Officer noted that Growth Works, in its current form, was due to come to an end in 2023, whereas the UKSPF would continue into 2024/25

It was resolved unanimously to:

Note the progress to date and next steps for the Cambridgeshire and Peterborough Local Investment Plan for the UK Shared Prosperity Fund.

92. Growth Works Management Review to 31 May 2022 (Q6 is April to June 2022)

The Business Board received an update on the Growth Works' programme performance up to 31st May 2022. While the inward investment, skills, and capital grants service lines were performing strongly, there were concerns about the performance of the coaching service line. However, an audit of YTKO, who deliver the coaching service line, had concluded that the procedures, processes and pipeline in place were all robust. The Deputy Chief Officer of the Business Board observed that businesses were taking around 50% longer than originally anticipated to complete their coaching, while the conversion rate of those undertaking diagnostics and then moving into coaching was lower than expected.

While discussing the report, the Business Board:

- Welcomed the positive data on the inward investment line, and requested further information on the kind of companies and sectors that were involved. Noting that inward investment supply chain events had been hosted on artificial intelligence and advanced manufacturing, with a further event planned for agritech, the Deputy Chief Officer of the Business Board undertook to circulate the information, although he emphasised that Growth Works was not tied to any sector in particular. **Action required**
- Clarified that companies were not given financial incentives to move to the region, and were instead attracted by the quality of the area and existing infrastructure. Members were also informed that assistance was provided in finding suitable premises and sorting travel arrangements. Members suggested that some companies were attracted to Cambridgeshire and Peterborough because of the various sector specialisations in the region, and considered whether Growth Works served to entice and support them, or whether they would actually move into the area regardless of the assistance that was on offer. The Deputy Chief Officer of the Business Board informed members that a significant amount of work was carried out behind the scenes to attract companies, many of which were also being enticed to other areas of the country, and undertook to provide members with further information on how this done. **Action required**
- Queried whether information was available on why some companies decided to locate themselves in other regions to Cambridgeshire and Peterborough. Noting that local authorities were also interested in establishing such information, the Deputy Chief Officer of the Business Board acknowledged that sometimes it was not possible to establish why companies decided to locate themselves elsewhere, although he confirmed that officers were investigating the matter.
- Sought clarification on whether funding would be lost if the service continued to underperform on nudge grants. Noting that YTKO and Gateley Economic Growth

Services (GEGS) had been asked to develop a recovery plan on this issue, the Deputy Chief Officer of the Business Board suggested that there was still time to overcome the problems with 18 months remaining of the programme. He informed members that DLUHC had indicated they were satisfied with the situation, and it was unlikely that funds would have to be returned.

- Expressed concern that there were only 18 months left in the Growth Works programme, and requested a further update prior to the next one that was scheduled in November 2022. The Deputy Chief Officer of the Business Board undertook to provide members with a briefing in the meantime. **Action required**
- Paid tribute to the successes of Growth Works and the support provided by the Deputy Chief Officer of the Business Board, and clarified that case studies were being prepared to publicise and demonstrate such achievements. The Growth Co Chair also highlighted that companies were being attracted across the region, and not just to Cambridge.
- Noted that a lot of high growth companies did not approach Growth Works because they either already had their own consultants or they were unaware of the assistance that was available, and emphasised the need to proactively approach such companies.
- Suggested that as well as looking to attract businesses to the region, the Business Board could consider how to attract more people.

It was resolved unanimously to:

Note the Growth Works programme performance up to 31 May 2022 (Q6 is April 2022 to 30th June 2022).

93. Economic and Skills Insight Report - June 2022

The Business Board received a report from Metro Dynamics containing the latest data on overall economic performance for Cambridgeshire and Peterborough. While previous such reports had focused on the impacts of Covid-19 on the economy, there was now a greater focus on issues such as inflation and cost of living. With inflation expected to continue to rise and the cost of living being driven up by energy and transport, the impact was falling disproportionately on poorer sectors of society. Although unemployment continued to stay low, wages were not rising as fast as inflation and the cost of goods, and part of the reason for low unemployment was that a significant number of people had left the workforce, often due to long-term sickness or caring responsibilities. The manufacturing sector was struggling in particular, although inflation in the service sector was less pronounced. The impacts of Covid-19 continued to be felt, with less footfall in larger towns and cities due to people continuing to work from home. Following consecutive quarters of negative growth on a national level, the prospect of future growth looked bleak, and the Business Board, along with the Combined Authority, would need to continue to monitor the situation over coming months and years.

While discussing the report, the Business Board:

- Expressed concern about the levels of inflation and suggested that the Business Board could consider whether its current activities were helping people with inflationary pressures, or whether there were further things that could be done, either by the Business Board or the Combined Authority.
- Expressed concern that those at the bottom of the spectrum were being hardest hit, and queried whether specific data was available for Cambridgeshire and Peterborough, rather than the national data provided in the report from research carried out by the Institute for Fiscal Studies. Acknowledging that various sections of the report were based on national data, the Metro Dynamics representative suggested that the issue could be more pronounced across the region, and undertook to provide further information.
- Paid tribute to the quality of the Metro Dynamics report and emphasised the importance of disseminating it as widely as possible. Noting that the reports were shared with the Business Advisory Panel, the Business Programmes and Business Board Manager informed members that the recruitment of a communications officer was being undertaken in order to develop and expand such publicity, and it was agreed that an update would be provided on how the Metro Dynamics reports would be made accessible. **Action required**

It was resolved unanimously to:

Note the Metro Dynamics report, attached at Appendix 1 to the report, and provide any feedback as applicable.

94. Nomination of Business Board Representative for the Combined Authority Board

The Business Board received a report seeking the nomination of a representative and a substitute for the Combined Authority Board for the municipal year. Chapter 2 (Membership of the Combined Authority) of the Combined Authority's Constitution set out the requirements, and it was noted that the nomination was normally the Chair of the Business Board.

Following the appointment of Alex Plant as the Chair of the Business Board earlier in the meeting, it was proposed by Al Kingsley, and seconded by Rebecca Stephens, to nominate Alex Plant as the representative, with Andy Neely, the Vice-Chair of the Business Board, as his substitute.

It was resolved unanimously to:

- a) Nominate Alex Plant, the Chair of the Business Board, to be a Member of the Combined Authority Board for the municipal year 2022/23;
- b) Nominate Andy Neely, the Vice-Chair of the Business Board, to be a substitute Member of the Combined Authority Board for the municipal year 2022/23;

- c) Recommend the nominations to the Combined Authority Board.

95. Nomination to the Greater Cambridge Partnership Executive Board

The Business Board received a report seeking the nomination of a member to be a non-voting co-opted member of the Greater Cambridge Partnership (GCP) Executive Board, and to agree on a second Business Board nominee as the substitute member. The previous member had been Austen Adams, until his resignation as Chair of the Business Board, while the substitute member was Andy Williams.

Noting Andy William's extensive experience of working with the GCP, it was proposed by the Acting Chair, and seconded by Faye Holland, to nominate Andy Williams as a non-voting co-opted member, with Alex Plant, the Chair of the Business Board, as the substitute member.

It was resolved unanimously to:

- a) Nominate Andy Williams to represent the Business Board as a non-voting co-opted member of the Greater Cambridge Partnership Executive Board;
- b) Nominate Alex Plant, the Chair of the Business Board, as the Business Board's substitute member of the Greater Cambridge Partnership Executive Board; and
- c) Note that the nominations at (a) and (b) above are subject to approval by the Greater Cambridge Partnership Executive Board.

96. Enterprise Zones - Cambourne Business Park Boundary Change and Programme Update

The Business Board received an update report on the Enterprise Zone Programme, which also sought the Business Board's support for a request from South Cambridgeshire District Council (SCDC) for a boundary change and redesignation of Enterprise Zone status for Parcel A at Cambourne Business Park, as set out in section 3 of the report.

While discussing the report, the Business Board:

- Expressed concern that it was being proposed to sacrifice highly sought-after business space for housing, especially when South Cambridgeshire was trying to raise its profile as a place to go for businesses, and queried what type of housing it was being proposed to build instead of business use. Confirming that he was unable to provide such information, the Business Programmes and Business Board Manager noted the site was three hectares and would therefore only be large enough for eight mid-range business units.
- Highlighted the regularity of developers requesting changes to agreements that would be of benefit to them, and sought clarification on whether the Business Board was able to prevent it from occurring. Clarifying that changing an Enterprise Zone boundary required a statutory process that needed to be agreed by the relevant

local authority first, the Business Programmes and Business Board Manager informed members that although the final decision would be made by the Department for Business, Energy and Industrial Strategy (BEIS), the Business Board would need to provide its endorsement due to its responsibility for strategic oversight for the delivery of Enterprise Zones in Cambridgeshire and Peterborough.

- Argued that further information was required before a decision could be made, particularly related to the benefits that the change would have for businesses, noting that the Business Board was responsible for advocating for the business sector, as opposed to the housing sector.

It was resolved unanimously to:

- a) Defer the decision on the boundary change request and redesignation of Enterprise Zone status for Parcel A at Cambourne Business Park, in order to obtain additional information and to further establish the benefits that it would provide to businesses; and
- b) Note the Enterprise Zones Programme update.

97. Greater South East Net Zero Hub LAD 2 (Green Homes Grant) and Sustainable Warmth Programme Update

The Business Board received an update report on the financial and non-financial performance of the LAD 2 (Green Homes Grant) and Sustainable Warmth Programmes. Following the return of £22m of grant funding that had been awarded to the Greater South East Net Zero Hub to the Government in March 2022, a further approximately £30m would be returned in September 2022, due to a higher than anticipated quality failure rate and available capacity for assessors and installers. The extension of that programme to September 2022 had a negative impact on the Sustainable Warmth Programme, due to the limited supply chain for retrofit works, and, despite requests being submitted to BEIS for an extension to the programme, it was estimated that the Combined Authority would only be able to deliver about £47m of the £118m that had been awarded. An internal working group had been established to gain further insight across sectors to the barriers of engaging in retrofit funded programmes and find solutions to scale the industry, which included two Business Board members and officers from the Combined Authority, with the group's terms of reference set out in section 5 of the report.

The Head of Greater South East Net Zero Hub informed members that interest was growing in the supply chain, with the Energy Efficiency Measures Dynamic Purchasing System, which was essentially an approved framework for suppliers, currently including 56 suppliers, with a further 16 additional applying in a recent round. Potential subcontractors were also being consulted as part of the drive to increase delivery, although it was emphasised that there was a focus on long-term growth for the supply chain, with key issues having been identified, such as risk appetite for small businesses and the caps on costs per property, and benchmarks having been established in order to ensure that the necessary skills programmes were developed to support the effort.

While discussing the report, the Business Board:

- Observed that people renting a house often felt that it was the owner’s responsibility to retrofit the house, and therefore many potential houses were not available. It was confirmed that work was being undertaken to overcome this problem, which had also been experienced and overcome in other parts of the country.
- Argued that due to current high energy costs, there should be good demand from consumers if the supply chain issues could be resolved, and expressed frustration that the full allocated funds could not be spent.
- Acknowledged that returning significant levels of funding to the Government was both unfortunate and unpopular, but paid tribute to officers and Business Board members for their work in overcoming the challenges. It was suggested that some of the issues demonstrated the need for more coordinated working across the different directorates within the Combined Authority.
- Queried whether similar issues had occurred elsewhere across the country. Noting that there were constraints on supply chain availability and capacity across the country, the Head of Greater South East Net Zero Hub informed members that the proportional amount being returned by the Combined Authority was the highest in the country, largely due to a failed procurement process that set the region behind some of the other Hub areas.

It was resolved unanimously to:

Note the performance of the LAD 2 (Green Homes Grant) and Sustainable Warmth Programme.

98. Business Board Headlines for Combined Authority Board

While discussing the ongoing work to resolve the issues raised by the Government that led to a pause in the Combined Authority’s funding, members requested that the Chief Executive provide them with a briefing on the improvement plan. **Action required**

The Business Board noted the headlines that the Chair would convey at the Combined Authority Board meeting on 27th July 2022.

99. Business Board Forward Plan

Noting that it was the last meeting for the Deputy Chief Officer of the Business Board, members paid tribute to his work and support that he had provided to the Business Board.

Confirming that the next meeting was scheduled to be held on 12th September 2022, the Business Board noted the Forward Plan.

Chair
12th September 2022