

BOARD AGENDA AND BOARD PAPERS

DATE AND TIME: 2nd July 2014, 15:00-17:30

VENUE: Alconbury Enterprise Zone, The Incubator, Alconbury Airfield, Huntingdon, PE28 4WX

Item	Brief description	Time allocated	Access/circulation prior to board meeting
1. Minutes and actions from previous board meeting	Minutes from board meeting held on 13 th May 2014.	15:00 10 mins	Board & Corporate Members
2. Update on progress by business area	Team and sub-group updates (GN).	15:10 20 mins	Board & Corporate Members
3. Finance	Update on 2014/15 Finance Position	15:30 15 mins	Board Members
4. Local Growth Strategy and European Funding	Update on SEP and ESIF Progress (AC) HRA Debt Cap Paper from Alan Carter (AC)	15.45 20 mins	Board & Corporate Members
5. Resources	A presentation will be given at the meeting (GN)	16.05 60 mins	Board Members
6. AOB		17:05	

HALF-DAY STRATEGY SESSION: 6th August 2014

DATE OF NEXT FULL BOARD MEETING: 9th September 2014

LEP Board Meeting

Minutes from the meeting held on
13th May 2014 from 15.00 to 17.30

Held at The Incubator, Alconbury Weald Enterprise Campus

Members Present

Mark Reeve (MR)	Chairman
Grahame Nix (GN)	Chief Executive
John Bridge (JB)	
Allan Arnott (AA)	
Cllr Terry King (TK)	
Cllr Tim Bick (TB)	
Claire Higgins (CH)	
Robert Swann (RS)	
Cllr Marco Cereste (MC)	
Cllr Jason Ablewhite (JA)	

Apologies

Trevor Ellis (TE)	
Prof Mike Thorne (MT)	
Prof Sir Richard Friend (RF)	
Cllr Martin Curtis (MCu)	

Also in attendance

Neil Darwin (ND)	Board Advisor
Graham Hughes (GH)	Board Advisor
Adrian Cannard (AC)	Strategy & Planning Director
Laura Welham-Halstead (LWH)	Head of Communications & Connectivity
Sarah Murray (SM)	East of England Brussels Office - Item 4 only
Michael Barnes (MBa)	Programme Manager – Item 4 only
Sherry	Observer shadowing Marco Cereste
Michael Toland (MTo)	Company Secretary

1.	Minutes and actions from previous board meetings	
	MR welcomed the Board and noted apologies from MCu, MT, RF and TE. MCE introduced Sherry, a graduate who was shadowing him this week, to the meeting as an observer.	

	<p>The Board approved the minutes from the last meeting (7th April 2014) with no amendments.</p> <p><i>Actions</i> Noted as per the report with the following additional updates.</p> <p>BDUK The letter has now been sent, but no response has been received to date.</p> <p>6th Form College funding AA updated the Board that he had reviewed the information sent to him regarding changes to the funding system for 6th Form Colleges. He determined that it was best that the LEP sent a letter to wish them well with their campaign, but could not send a formal letter of support given the changes impacted upon a number of different partners across the LEP area. The Board had a discussion about the detail of the changes, the proposal, the work that Hills Road and other colleges delivered, including their links to businesses, and the importance of remaining focused on the LEPs objectives. The Board agreed that sending a letter wishing Hills Road Sixth Form College the best with their campaign was the appropriate action to take.</p> <p>Resources MR noted that the Executive Team had generated a resourcing plan as requested by the Board, but this item had been moved to the June Board meeting due to time constraints on this agenda.</p> <p>EU Technical Assistance Funding GN updated the Board that the LEP had applied for EU Technical Assistance (TA) funding directly and were awaiting a decision.</p> <p>Local Authority Leaders Committee Terms of Reference (ToR) The Board welcomed the work carried out by ND and GH on the Terms of Reference (ToR) alongside the Local Authorities to date and requested some clarity on the weighting of this Committee versus the Board, and how decisions would be made.</p> <p>Following on from this discussion the Board agreed that they were happy with the ToR as set out. The Board also agreed that whilst only Leaders of the Local Authorities will have decision rights, Chief Executives (or appropriate substitutes) will still be welcome to attend the meetings as support.</p> <p>GN to formally circulate final ToR to Local Authority Leaders.</p>	<p>GN</p> <p>GN</p> <p>GN</p>
2.	Update on progress by business area	

	<p>MR introduced the paper and asked the Board for any specific queries they had.</p> <p>Communications & Engagement JA requested further information about the events that LEP Team and Board members are attending, and were invited to. The Board had a discussion about the volume of invitations received via the LEP, and GN explained the selection process that the Exec Team went through in order to determine who to pass the invites on to, or whether to send a member of the Exec Team or decline.</p> <p>MR noted that there was a potential Ministerial visit due to take place on 29th July, and LWH would be inviting some Board Members to participate in a roundtable discussion in Peterborough.</p> <p>The Board agreed the importance of focusing on key events and meetings to attend, given the limitations of the current resources. MR noted that the resourcing plan would help to firm up the priorities for the Exec Team and this query would be taken as an action as a part of this work stream.</p> <p>Agri-Tech Programme The Board welcomed the announcement of the new Agri-Tech Innovation Centre, known as the Agri Gate Research Hub, in Soham. They noted the update report and requested further information in the future from the Project Manager about the numbers of jobs being created and further positive impacts associated with the pipeline of projects, rather than just the potential funding amounts.</p> <p>Enterprise Zone JA provided the Board with an update on the Enterprise Zone following the recent Steering Group meeting. The Incubator Building is soon to be fully let, with a number of further enquiries for the Enterprise Zone in progress, including the potential to build another Incubator Building with a focus on innovation and hot desk space.</p> <p>The team are working hard to progress the Building for Future Growth capital grant fund following an announcement by Government agreeing to fund the scheme in principle.</p> <p>Excellent progress is also being made with discussions relating to the new railway station onsite, with unprecedented fast progress being planned.</p> <p>GN noted that Sue Bedlow from Huntingdonshire District Council had produced a detailed Enterprise Zone rates receipt breakdown as</p>	<p>LWH</p> <p>GN</p> <p>GN</p> <p>LWH</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------

	<p>requested by the Board. This will be distributed with the minutes to Board Members.</p> <p>The Board then discussed how the rates receipt money would be accessed and at what stage. JA and GN to discuss the governance arrangements and bring back to Board.</p> <p>GN noted that this clarified information will enable the LEP to finalise its A14 funding agreement. Negotiations are being led by CCC and the final agreement will be brought back to Board for approval before signing.</p> <p>Growing Places Funding MR introduced the report, explaining that the Investment Committee had met and put forward their recommendations to the Board.</p> <p>MR clarified that whilst two bids from Peterborough were rejected by the Committee, they had been asked to bring back an updated application with further information for consideration in the near future.</p> <p>The Board discussed the bids, and agreed that some further work on the presentation of future reports was required to give a clearer overview of the basis on which each decision had been made and the proposed next steps.</p> <p>The Board approved the recommendations on the basis that the paper trail relating to the Newmarket bid was as anticipated. GN confirmed that if any alternative information came to light relating to the Newmarket bid he would bring it back to Board for discussion.</p> <p>Skills The Board fed back that the report was a little too granular and would like to see a higher level version next time around. GN confirmed he would ensure that happened.</p> <p>SIIC RS updated the group on the recent SIIC meeting, the minutes of which had been circulated as a draft to the Board.</p> <p>VSE Sub-group CH noted that a meeting had taken place that morning, and the group had agreed to create a VSE strategy to support the LEP agenda, and to defer the 2nd round of the LEP Prize Challenge until the Strategy was created to enable stronger linkages between the two.</p>	<p>JA/ GN</p> <p>GN</p> <p>GN</p> <p>GN</p> <p>GN</p>
3.	Strategic Economic Plan update	

<p>AC provided the Board with a brief European Structural and Investment Funds (ESIF) Strategy update. Government feedback on the ESIF Strategy has now been received and the team have responded to many of the detailed departmental comments. The team now awaits further guidance from Government on outputs before reviewing them.</p> <p>The Operational Programme for ESIF (that covers the whole of the UK and combines all 39 LEP Strategies) is now out for consultation. AC to write to all local authorities to ask them to share any feedback they provide to the consultation.</p> <p>A paper will be brought to a future Board meeting once further information has been received from Government about the governance arrangements for ESIF.</p> <p>AC then took the Board through his report on the prioritisation of the Strategic Economic Plan (SEP), explaining that Government first asked the team to prioritise projects for 2015-16 within theme, but has now asked for prioritised capital projects for 2015-16 across the board. The timescales have been extremely tight, and an extension had been negotiated to ensure the Board had the opportunity to discuss the recommendations prior to submission.</p> <p>Government has said that any revenue projects will only be considered on a case by case basis, and has therefore not asked them to be prioritised for 2015-16.</p> <p>AC noted that bids for social housing funding under the Housing Revenue Account and bids to provide infrastructure for market housing sites have also been excluded from the prioritisation of capital projects because Government is running separate consultation processes.</p> <p>AC explained that the capital project prioritisation list for 2015-16 had been based on where the overall Single Growth Pot Funding had come from, the relative percentages for each theme as agreed at a previous Board meeting, fit with the Strategic Economic Plan, creation of jobs/homes, leverage and return on investment. The last three points being based on feedback received from Government officials in the light of no updated official guidance being provided.</p> <p>The Board then had a detailed discussion relating to the process for prioritisation further, ensuring they understood where the funding had come from, how this related to the decisions that might be made by Government, and the importance of securing the best possible deal for the LEP area that supported the LEP's priorities. This included</p>	<p>AC</p> <p>AC</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------

	<p>discussing points raised prior to the meeting by Cllr. Daubney, MT, and MCu who were not in attendance.</p> <p>AC noted that the team had engaged with neighbouring LEPs, particularly New Anglia LEP, where bids fall into crossover areas. The Board accepted that the prioritisation processes of different LEPs might result in different rankings, but that joint discussions should take place to ensure that this is not seen as an issue for Government.</p> <p>GN declared a non-financial interest in project IS1 and noted that he had not been involved in any decision making processes relating to the project at either the LEP or the project lead organisation.</p> <p>The Board then discussed the Stansted Air Passenger Duty Holiday 'ask' and how this idea had developed. GN explained that it was a call from businesses for long-haul flights, and a concept worked up from there before being taken to Stansted Airport's owners to develop further. AC clarified that this was an 'ask' and did not form a part of the capital prioritisation process for 2015-16, but is included within the wider Strategic Economic Plan bid.</p> <p>The Board then reviewed the transport priorities, and GN explained that the list had been reviewed by the Local Transport Board officers, who had provided professional guidance on scheme prioritisation.</p> <p>Following the detailed project discussions the Board discussed the challenges of prioritising the capital spend in such a short period of time and without guidance from Government. The Board were keen to ensure that their views on the process were fed back to Government. MR confirmed that he had written to the Minister in charge of the process to express those views, and was also working with the LEP Network on the same matter.</p> <p>JA nominated that the Board approved the proposal and MCE seconded it. The Board officially agreed the prioritised projects as set out in the Board paper.</p>	AC
4.	East of England Brussels Office	
	<p>Sarah Murray (SM) from the East of England Brussels Office provided a verbal update to the Board on the role of the office and how it can help to support the objectives of the LEP.</p> <p>RS left the meeting at 17.10.</p> <p>SM described the office's role in raising the profile of LEPs within Europe and helping to identify opportunities to secure EU funding. SM noted GN's recent visit to Brussels, and the importance of building</p>	

	<p>relationships with both MEPs and key policy makers and commissioners. A process that had got off to a good start.</p> <p>SM also outlined the work of the East of England Brussels Office in changing the UK Government's approach to distribution of Technical Assistance (TA) funding, as discussed earlier in the Board meeting.</p> <p>Following the presentation (a copy of which will be circulated with the Board minutes), the Board discussed European Funding and asked SM what the best opportunities for securing European Funding outside of the ESIF were. SM outlined the opportunities with the TEN-T, INTEREG and FP7 programmes.</p> <p>SM also noted the opportunity to undertake work now to support the development of European Funding bids, and the opportunity to potentially reclaim those costs using retrospection if they were to be successful.</p> <p>The Board thanked SM for her presentation.</p>	
5.	Finance	
	Given the timings, this paper was taken for information only.	
6.	Any other business	
	<p>There was no AOB.</p> <p>MR noted that the date of the next meeting would be confirmed ASAP. Since the meeting it has been set as Tuesday 10th June.</p> <p>The meeting closed at 17.25.</p>	

SUMMARY OF AGREED ACTIONS AND PROGRESS TO DATE

Action no.	Action	LEAD	ACTIONED Y/N? / STATUS
1	Six Form Funding – GN to send letter to Hills Road Six Form College	GN	Y – Feedback to Hills Road was provided at the recent Greater Cambridge sub-group meeting.
1	Resources	GN	Y – Item 5 of the agenda.
1	Local Authority Leaders ToR – GN to circulate to Local Authority Leaders.	GN	Y – Circulated via email 22 nd May.
2	Ministerial Visit 29th July	LHW	Y - Date agreed and LWH has emailed Board Members.
2	Exec Team Priorities – Recognising limited resources the need to manage attendance at events	GN	Y – See item 5.
2	Agri-Tech – Further information required against the pipeline indicating job numbers and positive impacts.	GN	Y – See Item 2.
2	Enterprise Zone – LWH to distribute EZ rates receipt breakdown. GN and JA to discuss the governance arrangements for this money	LWH GN/ JA	Y – Distributed with the minutes of the last meeting. See EZ Steering Group report at Item 2.
2	A14 Agreement	GN	A letter has been sent from Bob Menzies CCC to HA and feedback is awaited.
2	Growing Places Funding – Newmarket	GN	Y – Letter has been sent to Newmarket racing Museum.
2	Skills – Report was felt to be too granular	GN	Y – See item 2.

3	ESIF Operating Plans – AC to write to local authorities to share feedback on consultation.	AC	This was addressed at a meeting with Economic Development Officers.
	Paper to be brought to the Board when further information is available on governance arrangements around ESIF	AC	Ongoing. Guidance from government will be available at the end of June. Paper will be brought to the next board meeting.
	Joint discussions with other LEPs to ensure that joint programmes are understood by Government.	AC	Ongoing – Discussions taking place with Local LEPs; in particular New Anglia, where there are a number of joint projects.

ITEM 2: PROGRESS IN CORE BUSINESS AREAS

FOR INFORMATION

Board members are asked to note the progress in the following areas of core business and to raise any queries or points of clarification at the board meeting.

COMMUNICATIONS AND ENGAGEMENT

Communications & engagement highlights:

Twitter Followers

+84 to 1832

LinkedIn Group

Members

+5 to 467

www.gcgp.co.uk received **2370** visitors during the last month. Most visited page (aside from landing): **Agri-Tech Grants**.

MEDIA COVERAGE

Ely Standard, Wisbech Standard, Cambridge News, Peterborough Business, Peterborough Telegraph, IQ Magazine, Norfolk Chamber Newsletter, Business Weekly, Connected Magazine, Eastern Daily Press, BBC Radio Cambridgeshire, Norwich Evening News, East Anglian Daily Times, and Insider Media.

ENGAGEMENT

Members of the team attended Cereals 2014 (11th/ 12th June) to promote our Agri-Tech Grants, and generated a number of leads and new contacts via the event. LWH secured £2,500 of funding towards the event from Agri-Tech East. ML attended the Suffolk Show and Cambridgeshire County Show (with GN to meet Defra Minister George Eustice).

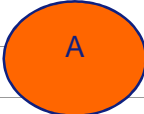
MB spoke to 100 businesses at the Business Resource Efficiency Conference in Peterborough, LWH provided a presentation to the West Suffolk Business Forum, and

FORWARD LOOK:

- Fenland Grants Fair – 23rd September 2014 – LWH secured sponsorship from Fenland District Council to cover event space. This is a drop in event being held between 8am and 10.30am. Board Members are welcome to attend
- Further development of income generation and engagement opportunities for the LEP
- Organising the launch of the Get Exporting campaign on 29th July – Board Members have received an invite to attend the roundtable event in Peterborough
- Developments to the 'Invest' element of the LEP website being worked up alongside Neil Darwin.

RGF AGRI-TECH

PROGRAMME REPORT: REGIONAL GROWTH FUND (ROUND 4)

Project Name	Eastern Agri-Tech Growth Initiative
Project Manager	Martin Lutman, GCGP Enterprise Partnership
Accountable Body	Cambridgeshire County Council
Programme Start Date	15 July 2013
Programme End Date	31 March 2015
Output Target	291 Jobs Created and 74 Jobs Protected up to 2017/18
Overall Scheme Status	

CURRENT FINANCES

Innovation Centre Fund	£500,000
Amount Left to Award	£0
Growth Fund	£2,000,000
Amount Left to Award	£1,862,100
R&D Fund	£540,000
Amount Left to Award	£427,029

CRITICAL ISSUES AND DECISIONS REQUIRED

1. None. Board to note.

KEY DECISIONS MADE BY THE PROJECT MANAGER SINCE LAST REPORT

2. None.

PROGRESS SINCE LAST REPORT

3. The Eastern Agri-Tech Programme Delivery Board met on 30 May and approved grant applications worth nearly £250,000 to help four businesses deliver innovative new projects. We have been working with these businesses to maximise publicity both for the scheme and for them. The successful projects are:

- **KisanHub** – Based in Cambridge, the team at KisanHub have created a cloud-based, integrated software platform that allows farmers to make informed decisions about their day-to-day operations and markets. The funding will be used to develop and trial

a Crop Yield Prediction, Irrigation and Fertiliser recommendation model that uses satellite data and meteorological information to support on the ground decisions.

- **Dofygate Ltd** – Based in Calthorpe near Norwich, Dofygate (which stands for Driver Operated Field & Yard Gate) will develop the marketplace and processes for their innovative automated farm gate system. The farm gates are solar powered and entirely self-contained, allowing them to be easily relocated as required. The company will create 5 new jobs and protect 4 jobs.
- **Lane Farm Country Foods** – Based in Brundish near Woodbridge in Suffolk, Lane Farm Country Foods will upgrade their existing production operation to bring it under one roof, increasing efficiency and enabling them to expand production. The development would also provide greater flexibility of production allowing the team to develop and expand new lines more quickly in the future. The new investment will create 7 jobs and protect 9 jobs.
- **Pangaea Agrochemicals Ltd** – Based in Norwich and Cambridge, Pangaea Agrochemicals concentrates on finding solutions to pests and weeds that have become resilient to existing pesticides. The team will use the funding to develop a formulated product that can control resistant weed species using active ingredients that have had efficacy in the past. The funding will accelerate the development of this technology and allow the team to run further trials in the local area.

4. For the Growth and R&D funds we have received one further application making a total of 8 (3 for the Growth Fund and 5 for the R and D Fund). We are continuing to develop and manage a growing pipeline of potential investment projects. Expressions of interest and requests for more information continue to be received from businesses and consultants. The table below sets out the latest position:

Enquiries To Date	No of Pre- Qualification Questionnaires Received to Date	No of Eligible Applicants Invited to Apply	Applications Received for Growth Fund	Applications Received for R & D Fund
104	32	28	3	5

5. Of the 25 eligible applicants who have been invited to apply, 5 businesses may apply for funding from both our Growth and R and D funds. Twelve have indicated they will be applying for a grant from our Growth Fund and 21 are interested in our R& D fund. At present, the combined value of the grants sought from each fund is just over **£1.2m** for Growth and **£842k** for R&D.
6. Examples of the types of projects proposals that are being considered by potential applicants include: the development of a new seed drill; investment in a new machine to automatically sort and process cut flowers; investment in new equipment for increased production of gluten free oats; the development of energy storage units for farms; the development of areal drones for both mapping fields to determine the most effective method for working particular fields and to analyse the health of crops.
7. At present, in order to deliver the jobs and expenditure targets, we will need to receive and approve a total of 29 applications for grant from the Growth Fund (assuming an average grant award of £70k) and 30 applications for grant from the R & D Fund (assuming an average grant

award of £20k). The Project Manager will constantly review and adjust these figures in reaction to the number of applications received/approved and the amount of grant awarded.

8. We are promoting the Eastern Agri-Tech Growth Initiative through a combination of direct marketing activities, PR, social media, and via a concerted engagement plan with our network of local authority economic development teams, business consultants and other key intermediaries such as banks, lawyers, and accountants. We are attending specific Agri-Tech related events to generate leads and applications. We have been to Cereals 2014, Cambridgeshire and Suffolk County shows and picked up several interesting investment leads. We will also be attending the Royal Norfolk Show.

ENTERPRISE ZONE

Project Name	Enterprise Zone	
Project Manager/Lead	Sue Bedlow/Rebecca Britton	
Accountable Body	HDC	
Date approved		
Estimated completion date	Ongoing	

CURRENT STATUS

Report on progress since last review

- The Incubator has scooped a second award. The building was named in June as the East Anglia Region Winner of Best Commercial Building by the Local Authority Building Control, and praised for its building excellence in the delivery of outstanding construction and workmanship.
- Audio Analytic is using Alconbury Enterprise Campus to help develop groundbreaking software after securing £900k angel funding and a further £350k from the UK innovation agency, the Technology Strategy Board. The company is developing technology which uses sound recognition systems to transform security systems: enabling them to not just see but hear things going on.
- Building for Future Growth Capital Grant Application £5m – agreed in principle by DCLG. Awaiting valuation work on uplift in land values and costs verification - last remaining determinant of State Aid compliance – race against time to complete before Block Exemption expires at the end of the month.
- Section 106 discussions still to be concluded.
- Proposal received from Institute for Manufacturing for a piece of action research work (see below).

Decisions made by the Project Manager/Steering Group

Dates of meetings mean that no steering group meeting has taken place since last report.

Significant changes to plan that have occurred

- None

Updated plan (if applicable)

- N/a

CRITICAL ISSUES AND DECISIONS REQUIRED

Description

Proposal received from Institute for Manufacturing for a piece of action research work which would:

- Map the our local manufacturing sector against a national manufacturing competency framework that the IfM have developed
- This would affirm the sub sectors/target sectors for the enterprise zone, in support of the HVM aspects of the local economy
- List the key activities required to prepare the regional structures (e.g. links to education establishments) for 'winning' in HVM
- Identify short, medium and long term strategies for industrial competence development in the context of the TSB HVM strategy and UK manufacturing practice
- Provide collaborating companies with an opportunity to start planning specific developments in line with the emerging strategy
- Raise the profile of the Alconbury EZ among the IfM's national and international manufacturing audience for their research work
- Contribute to the evidence base that we will need to help secure future funding opportunities for the EZ to support establishment and growth of this sector on campus

Funding of £44k required to complete this piece of work.

Suggested course of action

This project is to be considered at the next EZ Steering Group meeting (24th June after submission of this report but before the next LEP board meeting) where potential support from partners will be discussed.

Decisions required from LEP Board / Accountable Body

A contribution from the LEP should be considered by the board.

RISKS / ISSUES AND MITIGATION MEASURES

Risk / Issue

Subject to audit, LEP EZ NNDR growth revenue for 2013/14 is £79.3k. This is the first revenue to be generated through this mechanism. The Board's attention must be drawn to the fact that this income stream is very difficult to predict and is likely to go down (as buildings are demolished for redevelopment) before it will increase again.

Likelihood - HIGH

Impact - HIGH

Mitigation measures

Spending beyond this amount should not be contemplated at this point nor before the funding administrative mechanisms are finalised.

Residual risk – LOW

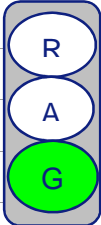
CURRENT FINANCES

Subject to audit, EZ NNDR growth revenue for 2013/14.	£79.3k
-------------------------------------------------------	--------

REVIEW HISTORY — LOG OF PREVIOUS REPORTS BY DATE

Date	June 2014
Report	

GROWING PLACES FUND

Project Name	Growing Places Fund	
Project Manager	Michael Barnes	
Accountable Body	Cambridgeshire CC	
Date approved	February 2012	
Estimated completion date	Ongoing	

CURRENT STATUS

Report on progress since last review

- Board approved four Round 2 applications subject to due diligence and receipt of supplementary details.
- Press Release issued to publicise the Littleport and Ely projects. The other two projects are subject to further enquiries with the applicants.
- Feedback provided to unsuccessful applicants and advice on resubmission being provided, where appropriate.
- Executive pursuing additional due diligence on outstanding Round 1 proposal (Newmarket Home of Horseracing Museum) to ensure no conflict with previous correspondence with the project applicant.

Decisions made by the Project Manager

- Approx. £2.5 million of recycle remains uncommitted. PM following up expressions of interest for further projects.
- PM reviewing potential withdrawal of offer of loan to South Cambs DC for work at Webbs Hole sluice, Northstowe. Discussions proceeding with SCDC.

Significant changes to plan that have occurred

- N/A

Updated plan

- No change this month

CRITICAL ISSUES AND DECISIONS REQUIRED

- None at this stage

RISKS / ISSUES AND MITIGATION MEASURES

Risk / Issue 1: Slippage in Round 1 repayments leads to cash negativity

Likelihood 

Impact 

Mitigation measures: Monitor repayment schedule and issue reminders ahead of due repayment dates

Residual risk 

Risk / Issue 2: PM not able to commit sufficient time to GPF due to other priorities

Likelihood 

Impact 

Mitigation measures: Deploying consultancy resources which incur cost for the LEP

Residual risk 

CURRENT FINANCES

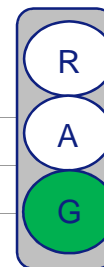
Total allocation	£16,815,375.00
Loan	£15,584,000.00
Grant	£2,231,375.00
Total allocated (capital)	£16,234,000.00
Total allocated (revenue)	£581,375.00
Total expenditure (capital)	£7,447,231.32
Total expenditure (revenue)	£124,673.95
Repayments received	£4,150,013.68

REVIEW HISTORY — LOG OF PREVIOUS REPORTS

1/11/2013	Progress Report – November 2013
30/3/2014	Progress Report – April 2014
2/5/2014	Progress Report – May 2014

Skills Work Programme 2014

June 2014 Monthly Report



Project Name	Skills Programme
Project Manager	Mark Cooper

Current Status

Good progress being made in core areas. The business-led skills survey is complete and available and European Social Fund skills elements are moving forward in terms of programme design. Engagement work, furthermore, is proving fruitful with presentations delivered to head teachers from Cambridgeshire and careers advisors from most schools in Cambridgeshire and Peterborough. The approach of delivering a focused, business data led presentation is successfully moving forward to debate and delivery of advice to our young people.

Workstreams

1. Skills Strategy Design

Working with a task & finish group taken from our Skills Strategy Group to design an FE strategy that will set out a way for FE providers to become very business focused around 19+ funding but also allow a route to alignment of 14-16 funding to local economic needs.

2. Skills Strategy Group

The minutes of June Policy Committee meeting, are summarised as the following:

Skills Strategy Group Update

The Policy Committee met on 5 June with good attendance.

Item 1: Introduction and Welcome

Allan Arnott welcomed everyone to the meeting

Item 2: IXION Skills in the Workplace Project

Sue Hook presented from IXION and explained various changes that should improve performance. Figures against target are already improving, however, concern was expressed that significant funding had been lost to the area.

Item 3: Minutes of the March Meeting

The group agreed the minutes. Angela Joyce took the opportunity to make people aware of the launch of the National Skills Show and wished to highlight how LEPs could play a key part in making regional events a success.

Item 4: The Skills Service

Sue Addison presented current progress; group supportive and pleased but wishes to see KPI information and progress against target for next meeting.

Item 5: LEP Update

Mark Cooper outlined current progress in key areas; mainly SEP and ESIF.

Item 6: FE Strategy

Angela Joyce outlined the framework and process for completing a FE Strategy for the LEP. Group wished to ensure that this fitted with the current LEP Skills Strategy and was a short, pithy document.

3. The Skills Service

Early focus has been on making key strategic partnerships and delivering the Careers Festival on 10 July. Last year's event had two marquees and around 2000 young people attending. This year we have filled four marquees with businesses; Have a Go activities, Spotlight Talks, the CV Bootcamp, Dragons Den, and inter-college skills competitions. Weekly newsletters are going out to schools across our area and a full programme of PR and marketing is under way.

4. Skills Overview & Information

This work is nearing completion. Alongside the Skills Survey we will have a powerful micro-level picture of the LEP in terms of skills issues, needs, sector profiles, and training profile. This will allow partners to understand their local skills environment and align training and advice to what is needed. It will also, furthermore, allow strategic use of funding (ESF SFA funding) to target what is really needed on a local basis.

5. Enterprise Zone SFA Funded Skills Project

Work is focused on bringing partner resources to the table in order to create a Skills Hub. Significant progress being made and there is a crucial meeting between the project team and Huntingdonshire schools leaders in early July.

Skills Survey overview

Background

This report provides an overview of the GCGP Skills Survey conducted during Spring 2014. The survey was completed by a total of 750 companies (a further 300 companies were contacted but did not complete the survey). The Survey specifically questioned companies around three key issues, these being;

- Their current skills requirements
- Views on potential gaps in the future
- Any barriers that might exist that prevent them from using training to meeting their skills needs in the future

A fourth headline issue surfaced during the survey:

- The role of young people in employment

The survey also focused on companies within GCGPs recognised key sectors, including; ICT and telecommunications; biotech and life sciences; low carbon environmental goods and services; manufacturing, engineering and processing; agriculture, food and drink; logistics; water and energy; creative industries and the visitor economy.

Key headline findings

- **Current skills requirements**

Around 64% of those responding to the Survey confirmed that they had funded training for their workforce during the past 12 months. Overall larger companies were more likely have arranged training and those in the financial, construction and professional sectors.

Employers said that they train to ensure that employee credentials are kept up to date (80%) and improve issues such as safety (70%). Just over two thirds (69%) of companies said that productivity was a very important reason for training.

The main reason provided for not training was because there was no need or because all staff are fully proficient. Around a quarter of those that train would have liked to have arranged more training. The main barrier identified to this was a lack of funding.

Over the past year three fifths of companies have had one or more vacancies. Of these vacancies just under half (47%) were determined to be hard to fill. Companies in the construction sector were most likely to have hard to fill vacancies (70%) followed by those in the information and communication sector (56%).

The main cause of hard to fill vacancies was a lack of applicants with the required skill or experience (81%). Other factors include a lack of applicants with the required qualifications (33%) and a low number of applicants with required attitude (28%).

The main area of shortage was in engineering skills (cited by 32% of employers with skill shortage vacancies). Other gaps were in soft skills (16%), mathematics (12%) and management and leadership skills (8%).

- **Views on potential gaps in the future**

Sixteen percent of companies in the GCGP area had one or more staff that were not fully proficient. The main reason given for this was transient - that employees were new in role or part way through

training. Business development reasons were also important including the introduction of new technology and new products and services.

The main areas of skill shortage was in technical, practical and job specific skills and in particular engineering skills. There is a need to take on board some of the recommendations raised in Professor John Perkins' Review of Engineering Skills including inviting employers to put forward innovative proposals to develop engineering skills in sectors suffering acute skills shortages; developing the roll out of the Tomorrow's Engineers employer engagement programme and help schools and colleges connect with employers.

Over nine in ten of employers with skills gaps had taken steps to impact the proficiency of their staff and the remaining employers had plans to in the future. In the majority of cases this means increasing training activity, this may reflect the improving economic conditions. Other steps taken included more staff appraisals, mentoring and supervision, reallocating work to other staff and increasing recruitment spend.

Just over half (55%) of companies stated they have one or more staff who have skills and qualifications more advanced than required for their current job role. Issues of under-utilisation were most apparent in the information and communication sector where 73% of companies experienced underutilisation of skills. Underutilisation of skills clearly constitutes a significant issue for GCGP based companies.

- **Any barriers that might exist that prevent them from using training to meeting their skills needs in the future**

Results from the survey revealed that financial incentives alone are not always sufficient to engage businesses in training. Strategies which may help engagement include business mentoring, building networks and workplace coaching, and reducing cost per trainee through working together with other companies (for example, supply chains and clusters) to provide formal training for themselves or their employees.

In a number of sectors there is a need to work with employers to shape better access to training. For example, business networks can involve sharing training costs, information on the quality of provision and lowering the cost of training for small businesses. All providers need to be more aware of that different delivery methods are essential to better fit with employer needs. Workplace coaching is common where managers coach their staff on the shopfloor, giving advice, demonstrating and providing directions: for example, the 'Train the trainer' approach.

Just under a third of employers have had to source training that has required their employees to travel over 50 miles. In the majority of cases, this was for technical or practical skills training.

Over the past year 18% of companies have sought information or practical help on training related issues from external parties. The main source of this information has been from professional bodies (29%), private training providers (21%), educational institutions (21%) and the national apprenticeship services (8%). Overall satisfaction with these organisations has been high and rated as at least 8 out of 10 in all cases.

- **The role of Young People in employment**

The proportion of employers recruiting young people in the GCGP area is in line with the national level with just under half of all employers have taken on young people into their first job. The

majority of employers (60%) rate these young people highly as very well or well prepared, which runs counter to general perceptions. Just over a quarter identified a poor attitude towards work and a lack of world of work experience or maturity. While the poor attitude towards work is an issue that the LEP should address, the lack of experience and maturity might require employers to adjust their own expectations.

In order to overcome these barriers, the view was offered that the LEP and partners need to support employers to utilise work experience as a central part of their recruitment strategy to enable both them and the young person to assess fit; help employers to put mentoring support in place for their new employees and support schools to teach employability skills through the curriculum.

Just under a third of employers had employed apprentices in the last 18 months (55% of those with more than 100 employees, 15% of those with 4-9 employees). The main reason given for using apprenticeships was to train people the way we want/mould them to the way we do things (50%). Over a third (34%) wanted to improve or maintain skill levels.

The main reason for not using Apprenticeships was a lack of suitable positions (39%) or all staff being fully trained (16%). Just over one in ten companies said they didn't take on young people. Of those not using apprenticeships half said that nothing would convince them to do so in the future while 16% said that an upturn in business prospects or having the right role available would make a difference. Some employers felt that their markets were simply too uncertain to allow them to make the long-term commitments.

Employers are aware of Apprenticeships in general, however, there is an argument for building more detailed understanding of the business case for utilising Apprenticeships, practical examples of how other employers have overcome barriers and of how Apprenticeships can be designed around the skill needs of the business.

Two fifths of companies work with schools and/or colleges to provide young people with an awareness of work. In over three quarters of cases the nature of this engagement was work experience provision. A minority (around 15%) visited schools to showcase their business/sector or attended careers events.

Next steps

The Survey presents a clear set of findings for GCGP based on a representative number of respondents, it presents areas where businesses recognise the availability, and quality of skills support, while also highlighting areas where there is room for improvement. It is proposed that a fuller presentation be offered to the Board at the Strategy Away Day where new areas of activity will be presented and set out how GCGP can engage further in the Skills agenda, building on the findings of the Skills Survey.

SUBGROUPS - BANKING

No group meeting set up. Group awaiting outcome of the LEP's sub-group review.

SUBGROUPS - SKILLS STRATEGY

Included in Skills Update, above.

SUBGROUPS - SIIC

Next meeting date is 15th September 2014.

SUBGROUPS – GREATER CAMBRIDGE

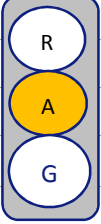
The next meeting is scheduled for 17th September 2014.

SUBGROUPS – VSE

A verbal update from the last Voluntary and Social Enterprise sub-group meeting was provided by CH at the last meeting. The group are looking to meet again in August. The organisation of these meetings has now been brought in-house.

CH and GN are in discussions with Big Society Funding regarding the creation of a Voluntary and Social Enterprise Strategy that will guide the work of the group and provide clear, measurable objectives for the work that the LEP undertakes in this arena.

ITEM 4: STRATEGIC ECONOMIC PLAN (SEP) and EUROPEAN STRUCTURAL AND INVESTMENT FUND (ESIF)

Project Name	Strategic Economic Plan / European SIF bid	
Project Manager/Lead	Adrian Cannard	
Accountable Body	GCGP	
Date approved		
Estimated completion date	Ongoing	

SUMMARY FOR DECISION/NOTING:

- 1) To note the current discussions with Government on the Strategic Economic Plan;
- 2) To ENDORSE the Housing Revenue Account bid from Cambridge City Council and South Cambridgeshire District Council;
- 3) To note the submitted bids under the Large Sites Infrastructure Fund; and
- 4) To note progress on the European Structural and Investment Fund strategy.

SEP progress

- 1) The updated SEP was submitted on 31st March. This raised the total funding requested in the SEP to £500m and the amount targeted for 2015/16 from £75m to £119m. Following the Board decision on the 13th May the priority list of capital schemes for 2015/16 was confirmed, along with our revenue 'asks'.
- 2) The Minister of State wrote to the Chairman on the 16th May, thanking GCGP for setting out our priorities, as this will assist Government in making its decisions informed by local priorities. He intends to make announcements for all LEPs together and July remains as the scheduled milestone.
- 3) Some clarification issues have already been dealt with, and the team are in close communication with BIS Local and Cabinet Office colleagues, refining detailed aspects of bids as and when requested.
- 4) We have been in ongoing negotiations with Cabinet office and BIS. We have maintained a strong stance that we expect government to accept the Board's prioritisation. However, this has proved challenging. We understand it is still planned to make an announcement in early July and are hopeful that this will reflect, if not the quantum we had hoped for, the projects that we had prioritised.
- 5) Following the announcement of the SEP, we plan to carry out a review with partners of lessons learned from the development and negotiation of the SEP. This will help identify both strengths and weakness in the approach and methodology used in the development of our bid.

Bid to increase Housing Revenue Account Debt Cap

- 6) As reported to the last Board meeting the Government is running a separate competition for local authorities to increase their 'debt caps' to borrow money to deliver social housing. As this borrowing comes from the Local Growth Fund then GCGP has a role in endorsing potential bids that align with the SEP.
- 7) Cambridge City Council and South Cambridgeshire District Council have developed a joint bid to raise their debt cap by £7m, as detailed in the paper attached in Annex A. If successful the bid would facilitate 248 Affordable Homes and 273 homes for sale.
- 8) The bid would see the additional provision of social housing in the Greater Cambridge area. The SEP identifies that constraints on housing supply and affordability threaten to choke off further economic growth. Whilst the City Deal will deliver much needed increases in transport capacity (and enable earlier delivery of housing sites), in the short term there will continue to be pressures on affordability. The supply of additional homes from this bid is therefore fully in line with the aspirations of the SEP.

Local Growth Fund – Housing Infrastructure

- 9) Again outside of the prioritisation process (but still part of the Single Pot), the Government recently consulted on a ring-fenced element of the Local Growth Fund for smaller housing schemes. A relatively modest £50m of capital loans was available to private sector developers to deliver up-front infrastructure required to accelerate or unlock viable housing schemes of between 250 and 1,499 units. GCGP promoted this through the sector and via local authorities. However, we did not receive any expressions of interest from private developers by the deadline of 30th May 2014.

Local Infrastructure Fund – Large Sites Infrastructure Fund

- 10) Finally, completely outside of the SEP and Single Pot process the Government launched the next phase of its Local Infrastructure Fund with a deadline of 30th May. This was an additional £1bn over 6 years to support large development sites (classified by 1500+ homes to be provided) coming forward more quickly. There are three component parts. The first is *Advice and Brokerage* – Support from the Homes and Communities Agency's Advisory Team for Large Applications, and from CLG to overcome relationship barriers. The second is a *Local Capacity Fund* – Grant to fund complex studies to move large schemes through planning process. The third element is *Large Sites Infrastructure Fund* – £1bn of loans to private sector developers to deliver up-front infrastructure required to accelerate or unlock viable housing schemes of over 1500 units.
- 11) Unlike the scheme for 250-1500 homes, there was no specific requirement for GCGP support on these larger proposals. However, we have asked local authorities to identify if there are likely to be proposals coming forward, to add GCGP support where appropriate. A bid was submitted by South Cambridgeshire District Council and Cambridgeshire County Council for project officer support for the Northstowe new town development.

ESIF Update

- 12) GCGP submitted a response at the end of May as requested by DCLG, responding to feedback provided by Departments on our 31 January ESIF Strategy submission. We were not required to submit an updated version of our strategy. Further work to respond to feedback is ongoing. In some cases – such as in respect of Financial Instruments, Outputs and Results, Community Led Local Development and Opt-In organisation agreements – we continue to be reliant on developments nationally and any guidance that may result.
- 13) Our ESIF strategy will therefore continue to evolve as these arrangements are further progressed through the year. In addition, Government will also advise LEP areas about any changes that may be needed in local ESIF strategies as the UK Partnership Agreement, European Regional Development Fund, and European Social Fund Operational Programmes (OP) are negotiated with the European Commission during 2014. Note that Government’s language has changed, with documentation referring to “LEP areas” rather than “LEPs”, to assuage the Commission’s concerns over the public body status of LEPs.
- 14) Government will write to LEP areas in late June / early July to signal the next significant pieces of work to be taken forward in 2014, namely the setting up of LEP Local Area ESIF sub-committees and the development of ESIF annual implementation plans. Together with colleagues in New Anglia and Hertfordshire LEPs, we have received informal advice from the local DCLG team in Cambridge that the Local Area sub-committee will need to have been constituted and Annual Implementation Plan drafted by the end of October. The three LEPs have collectively advised DCLG that such a timescale is not feasible.
- 15) Additionally, we are advised that LEP Local Area sub-committees will be required to sign an agreement with the Managing Authority, accepting responsibility and accountability for the delivery of ESIF in their respective LEP areas. Again, the three LEPs have collectively advised DCLG that it is extremely unlikely that their Local Area sub-committees will sign up to such a commitment.
- 16) The UK Partnership Agreement was formally submitted to the Commission on 17 April 2014. This document sets out the business case, strategy and priorities for ESIF across the UK, including the policy framework for the OPs. Initial feedback from the Commission indicates that good progress has been made although further work is needed. Formal written comments from the Commission are expected in early July.
- 17) ERDF and ESF Operational Programmes: Public consultations took place on the UK’s ERDF and ESF OPs during April and May. GCGP has provided brief comments. On the ERDF OP in the absence of a full consultation we had to respond to a short – and inadequate - 16-page summary and our comments reflect that. The ESF consultation was based on the full draft OP (well over 100 pages). Whilst the ESF OP reflects our SEP in broad terms, it is impossible to make a judgement on the ERDF OP.
- 18) European Agricultural Fund for Rural Development Operational Programme: Following an earlier consultation, the EAFRD Operational Programme is being submitted by Government to the Commission at the end of May.

- 19) Status of BIS Opt-ins: There is uncertainty surrounding the UKTI, MAS and Growth Accelerator Opt-ins as sources of match funding for our ESIF business support investment. We are seeking urgent clarification as to whether these opt-ins will now proceed.
- 20) Community-Led Local Development (CLLD) schemes. There are some major issues to be resolved at national level include how to demonstrate that CLLD is not being viewed simply as a mechanism for financial distribution at sub-LEP level; how to accommodate the Commission's view that CLLD should be viewed as a limited spatial intervention designed to address a specific need identified by partners which mainstream provision is unable to meet; and how to satisfy concerns around value for money, minimum funding threshold, resourcing and links to Rural Development Programme funded LEADER activity.
- 21) The DCLG policy lead will hold a session in Cambridge on 8 July to discuss the current position on CLLD. GCGP will attend, together with representatives of Cambridgeshire County Council, Fenland District Council and Peterborough City Council.
- 22) EAFRD LEP Workshops: GCGP is engaging in ongoing discussion with Defra, including via a series of workshops, to work through business process issues concerning the Defra element of the programme. We have to balance Defra expectations of our input against the scale of the EAFRD programme (versus the other two funds) and our available resources.

ANNEX A

Purpose of Report – To report progress to the Board on the bid by Cambridge City Council (CC) and South Cambridgeshire District Council (SCDC) to increase their Housing Revenue Account (HRA) debt cap – the £300m Fund.

Background

As reported to the last Board meeting, The Department for Communities and Local Government (DCLG) published a document on the 7 April 2014 called the Local Growth Fund : Housing Revenue Account Borrowing Programme (2015/16 and 2016/17). This is referred to as the £300m Fund. The £300m Fund document invites bids from local housing authorities to lift the restriction on their ability to borrow money (known as the ‘debt caps’) and with the additional borrowing deliver additional Affordable Housing in 2015.16 and 2016.17. The CLG is proposing that debt caps could be lifted by up to £300m across the country.

The DCLG has aligned the £300m Fund with the process to agree Growth Deals with Local Enterprise Partnerships. Great weight is being placed on bids that demonstrably show how they will not only meet local housing need but will complement wider investment to support local economic growth. To this end, CC and SCDC have agreed to make a joint bid in the spirit and context of the City Deal.

The City Deal negotiations highlighted that the lack of affordable housing represents a major risk to the success of the local economy. The shortage of available and affordable housing within reasonable journey time of key employment centres has driven unsustainable housing prices (purchase and rental), meaning that many key workers cannot afford to live in, or within reasonable journey times of, our key job sites. Average house prices across the City Deal area are now between 7 and 9.6 times average salary (December 2013).

The Bid

The deadline for bids to the £300m Fund is 16 June 2014.

As reported last time, local authority housing finance is complex and local authority colleagues have continually been seeking guidance from the CLG to shape an appropriate bid. Although the £300m Fund is targeted for the next two years, there is an indication that schemes that flow into subsequent years may be considered.

The Appendix (A) attached shows the extent of the bid.

In summary the bid will be to deliver;

Affordable Housing 2015/16 and 2016/17 – 143

Affordable Housing 2017/18 and 2018/19 – 105

Estimated Build Cost - £36m

To deliver this programme it is estimated that the local authority debt caps will need to be raised by approximately £7m.

The bid, if successful, will represent the investment of new funding into the Affordable Housing sector, and will be the first step in the joint authorities' ambition to drive some certainty in the delivery of new housing locally. As well as 248 additional Affordable Housing the sites in the bid will facilitate 273 houses for sale delivering over 500 new homes in all.

Alan Carter
Head of Strategic Housing
Cambridge City Council

