

BOARD AGENDA AND BOARD PAPERS

DATE AND TIME: 28th July 2015, 15.00 - 17.00

VENUE: THE MARKETING SUITE, THE INCUBATOR, ALCONBURY WEALD ENTERPRISE CAMPUS, ALCONBURY PE28 4WX

Item	Brief description	Time allocated	Access/circulation prior to board meeting
1. Welcome and Introductions	From Chairman, Mark Reeve	15.00 5 mins	
2. Chief Executive Update	Verbal update Update by Neil Darwin	15.05 15 mins	Board & Corporate Members
3. GCGP Accounts	Paper To Follow Update by Mark Jackson, Rawlinsons	15.20 20 mins	Board Members
4. Becoming a Leading LEP	Paper attached Discussion item for ALL	15.40 30 mins	Board & Corporate Members
5. New Enterprise Zone Opportunity	Paper attached Update by Neil Darwin	16.10 15 mins	Board & Corporate Members
6. Growth Deal Funding	Paper attached Update by Adrian Cannard	16.25 10 mins	Board Members
7. The Internet of Things Initiative	Verbal Update Update by Neil Darwin	16.35 10 mins	Board & Corporate Members
8. Minutes from Board Meeting held on 29 th June 2015	Minutes attached	16:45 5 mins	Board & Corporate Members
9. AOB		16.50 5 mins	

DATE OF NEXT FULL BOARD MEETING: 15:00 on Tuesday 29th September 2015

VENUE TBA (WILL NOT BE HELD AT ALCONBURY)

ITEM 3: GCGP FINANCIAL ACCOUNTS

This paper is being finalised by GCGP's Accountants and will be circulated once received.

ITEM 4: BECOMING A LEADING LEP

DECISION REQUIRED

- 1. The Board is asked to agree core areas (as set out in points A-D) associated with 'Becoming a Leading LEP' following recent discussions at the previous Board meeting and recent Leaders Committee.**

BACKGROUND

2. The Chair requested a paper setting out how GCGP could become a leading LEP nationally. This was tabled at the June Board meeting. The paper met with support from some areas of the LEP Board and concern amongst others. Subsequent to the Board meeting, the Leaders Committee met on 14 June to discuss the paper and seek to build a common position that would help GCGP achieve the original objective.

BECOMING A LEADING LEP – CORE AREAS

3. Following a productive Leaders Committee a number of core areas were identified and agreed upon. It is crucial that the LEP Board agree these areas if we are to make progress. The areas supported by the Leaders Committee include.
 - a) That the GCGP should represent the economic boundaries focusing on both the Greater Cambridge and Greater Peterborough city regions.
 - b) That LEP Board should be supported by two sub-groups supporting the two city regions. The detail of the operation of these sub groups will be presented to the September Board meeting. The groups would not be decision making but focus on developmental work that would then form a wider position for presentation to the GCGP Board.
 - c) That GCGP supports moves towards a Devolution Deal for Cambridgeshire and Peterborough and offers support to any other area seeking to pursue a deal within its own Local Authority boundary.
 - d) In addition the Leaders Committee voted to confirm that it seeks to retain 5 Leaders on the Committee.

NEXT STEPS

4. Assuming the Board is content to move forward with these core recommendations, further work will be carried out to develop Terms of reference for the City Region groups which will then be presented at the September Board meeting.

ITEM 6: NEW ENTERPRISE ZONE OPPORTUNITY

DECISION REQUIRED

1. The Board is asked to agree the approach GCGP adopts in identifying Phase 2 Enterprise Zones.

BACKGROUND

2. The Government announced a second wave to Enterprise Zones during the Budget. Since then we have received the letter (see Annex A) setting out parameters for Wave 2. There is significant ambiguity about possible eligible areas for Wave 2. The Chancellor announced Wave 2 would be for 'small towns and rural areas', the letter is more vague and seemingly opens the opportunity up to all areas. Deadlines for submission are as ever, are very tight, with full submission of proposals required by 18 September 2015.

NEXT STEPS

3. GCGP held a competition during Wave 1 which saw Alconbury Weald selected, and eventually succeed at National level. The competition to recognise Alconbury Weald locally did however cause some issues amongst some partners, and moreover a number of areas put considerable capacity into delivering proposals that then did not progress. Looking at the potential for Wave 2 it may be more expedient for the Board to identify proposals rather than hold a general competition that seeks bids from all areas, not least with the limited time frame available.
4. Having raised the opportunity with the Leaders Committee on 14 July two areas identified themselves as possible locations for Wave 2. These being South Cambridgeshire and Fenland; no specific sites were identified at this stage. Subsequently Peterborough have been in contact suggesting that they may have sites that could also deliver quickly. Crudely we have learned a number of lessons since Wave 1, these should come into the Boards consideration. One being around deliverability of any selected site. The Board may therefore be keen to invite locations that can ensure delivery at the earliest opportunity. In effect sites that are 'oven ready' rather than the 'slow burn' that Alconbury has proved to be. Not least as GCGP has commitment to deliver Enterprise Zone receipts to support the delivery of the A14 improvements. It is evident that market led sites would principally be based around the two cities of Cambridge and Peterborough and also around the market towns that satellite Cambridge, such as Bury St Edmunds or Ely.
5. The Board is therefore asked to consider whether it should invite locations to forward proposals rather than generate a bigger competition across the area.

ANNEX A

James Wharton MP
Minister for Local Growth and the Northern Powerhouse

Department for Communities and Local Government

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Tel: 0303 444 3440
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Our Ref: Your Ref:

Dear Chair,

16 JUL 2Df5

NEW ENTERPRISE ZONE PROGRAMME - INVITATION TO APPLY

Further to the Chancellor's announcement as part of the Summer Budget on 8 July, I am delighted to formally invite applications for a new bidding round of the Enterprise Zones programme. This is an important part of our plan to devolve to local areas the powers for generating economic growth. Enterprise Zones are an important part of the Government's devolution programme to give responsibility for leadership of local growth and provide a powerful tool for Local Enterprise Partnerships to develop their local economy.

Building on the strength of the existing 24 Enterprise Zones, this new round of bidding will provide an opportunity for towns, smaller localities, and rural areas, not just cities, to apply for an Enterprise Zone to bring about similar growth and success. This includes building on the commercial strengths of rural areas.

The introduction to the bidding guidance provides further details on how bids will be prioritised and assessed.

The deadline for bid applications is on 18 September 2015, and all bidding documentation and associated guidance can be found on the DCLG website (www.gov.uk/dclg) in the Publications section. For planning purposes please let the Enterprise Zones Team know of your intention to submit a bid by 14 August 2015 by email to enterprisezones@communities.gsi.gov.uk.

In order to support LEPs in the development of their bids, my officials will be organising three regional events for LEP Chief Executives (or their representative) to attend. Places are limited to one per LEP and each venue has limited numbers, which will be allocated on a first come first served basis. The details of the events are listed below and a place can be reserved by emailing Urmi.Solanki@communities.gsi.gov.uk.

Manchester	3 August
London	11 August
Birmingham	13 August

I encourage you and your local partners to seize the opportunities that the new round of Enterprise Zones has to offer.

I am copying in your Chief Executive to this letter.



JAMES WHARTON MP

ITEM 6: GROWTH DEAL PROJECTS UPDATE

DECISION REQUIRED:

1. **Delegate approval for £415,000 of Growth Deal funding for the Highways Academy to the Chairman;**
2. **Approval for £500,000 in LEP loan funding to the Rutland Plastics project on the basis of the parameters outlined in this report.**

BACKGROUND

1. The report presents two projects for GCGP Board funding approval. The first is the Highways Academy project, a Growth Deal proposal and the second is business growth project for an Advanced Manufacturing company. The Board needs to confirm funding so these can proceed.

HIGHWAYS ACADEMY

1. The Highways Academy project is to create a highly realistic Highways and Civil Engineering Academy to better service the skills needs of these vitally important sectors as the area embarks on major infrastructure enhancements. The new facility will specialise in developing the current and future workforce delivering traineeships, technical training, and advanced and higher apprenticeships, encompassing all aspects of highway construction, remediation, lighting and signing, ground works, estimating and surveying. The Academy will be one of the first centres registered to deliver the four new Highways Trailblazer apprenticeship standards.
2. This is a Civil Engineering sector project delivered in support of Highways England and Civil Engineering Companies who have identified serious skills shortages for Highways Operatives, Construction Operatives and Highways Maintenance Engineers that will negatively impact on the planned highway infrastructure projects. The development of the Highways and Civil Engineering Academy by West Anglia Training Association (WATA) is in direct response to this identified employer need. The project will address the identified skills gap and positively impact on the skills and workforce needed to assist in the A14 development, the major enterprise zone infrastructure requirements in Alconbury, as well as supporting any development of the A47 and ongoing Highways maintenance projects across the region.
3. This project aims to create a highly realistic highway environment within the WATA training facility in Huntingdon. This will involve the installation of a highway and a 'highway under construction', lighting and signage, and ground works to create a simulated working environment in a safe and contained vocational learning centre. By doing so it will allow learners to be trained on state-of-the-art operating equipment and experience on-site conditions and operating protocols in a way that to date has not been possible and is not available anywhere else in the UK.
4. Under our Assurance Framework the project has been appraised by the Skills Funding Agency (using an amended version of the national assessment) and GCGP executive team, following submission of a full business case. That appraisal was available shortly before this paper was prepared. As such, raised issues are still being discussed with the applicant. It is hoped that these can be addressed before the Board meeting, but if not this report makes the recommendation that agreement in principle is made subject to final details being signed off by the Chairman under delegated power. The key issues raised by the appraisal are:
 - A) Good evidence of the educational case;
 - B) Overall project cost had risen from the Expression of Interest stage;

- C) More explanation needed of the base case input/costed outline schedule;
D) Description of match funding.
5. The applicant has confirmed that the total project cost has increased from £375,000 to £450,000 (20% increase) and is requesting that a Growth Deal grant of £415,000 (as opposed to £350,000 in the EoI). The cost increase is due to the fact that the project sponsor has developed the scope of the scheme having met with the major highways contractors, Highways England, the Civil Engineering Contractors Association and a number of key stakeholders, with a full cost estimate now produced from a civil engineering company. The revised proposal will now meet the needs of the future trailblazer apprenticeship standards for highways and the immediate needs of the contractors. However, the original private contribution of £25,000 has been exceeded with a major commercial company confirming their sponsorship of the Academy through the provision of plant equipment with a through life value of circa £1,000,000. In addition the project has secured significant employer input and support for the design of the curriculum and development of the Academy, and are currently in active discussions with a number of equipment manufacturers to provide additional equipment to further enhance the 'live' learning environment.
 6. The appraisal has highlighted that additional information is needed for the SFA appraisal process on base case input/costed outline schedule. We will explore with SFA and the applicant what further information is required, taking into account that, as this is not a traditional expansion of premises, there may be elements of the appraisal that are not applicable (such around reducing premises costs).
 7. During the last 12 months WATA developed and delivered a £1m part-publically funded project to build a new Skills Centre. This was delivered on time and within budget.
 8. This project is due to complete in March 2016, with one of the key aims to support the substantive construction phases of the A14 Improvement Scheme from 2016 onwards. To avoid delay in starting the project (and hence delay to learners entering the programmes) it is proposed that the Board provide delegated authority to progress the scheme, contingent to the appraisal queries being satisfied.
 9. Table 1 below provides details of the outcomes.

Learner Level	Numbers
Level 3	40
Level 4+	20
Apprenticeships – Intermediate	100
Apprenticeships – Advanced	100
Apprenticeships – Higher	10
Sub-Total	270
Level 1 traineeships	50
Level 2 Plant Operations	20
Total	340

RUTLAND PLASTICS

10. Rutland Plastics are a business based in Oakham employing 115 people. The company is an expert in plastics technology offering a full range of plastic injection moulding services including design, prototype and mould making, injection moulding, assembly and machining. The company has an expansion project and is requesting a £500,000 GCGP loan as part of the £2.2m project to deliver new jobs and apprenticeships.
11. This project marks the 3rd phase of a development plan which began in 2006. The core aims of this project has been to provide modern manufacturing and storage facilities which allow the business to grow on the current site securing its long term future in Oakham. This has involved to date the development of a purpose built office block and building of a mould shop extension.
12. The project will provide a 30,000 sq. ft. new warehouse. This will replace the current warehouse which is cramped and in poor condition; by vacating the existing building the company will expand their Toolmaking facilities. This will increase employment and in particular engineering apprenticeships. From 2016 to 2021 there is a commitment to deliver 5 direct FTE jobs and 3 apprenticeships per year.
13. A full appraisal has been undertaken by the LEP team which reviews in detail the project proposal. This report covers the key points within the application and appraisal.
14. The recommendation is for the Board to approve the allocation of £500,000 in LEP funding as loan to the Rutland Plastics project on the basis of the parameters outlined in this report. This project shows how LEP funding can be used as match to bank finance and company reserves to deliver a project and achieve a better output in terms of jobs and apprenticeships through LEP funding.
15. Rutland Plastics are an established firm with a strong asset base. A review of their last 3 years accounts along with a Dunn and Bradstreet (D and B) credit rating have been undertaken as part of the appraisal process. The company is assessed as minimum risk of business failure.
16. The project cost is £2.2 million. A £1.2 million bank loan has been agreed and £500,000 committed from company reserves. A further £500,000 is requested from GCGP in terms of a loan (representing 22% of the funding required). Based on the strong credit rating, leverage and bank loan funding rate it is assessed that a rate of 1% above the public works borrowing rate (currently 1.71%) over 3 years is appropriate for this project. The company has provided a cash flow and business plan showing their ability to pay back the LEP within this time frame. The loan would be secured by the way of a charge against the property (2nd to HSBC)
17. The project is focussed on providing a targeted intervention to address business constraints, contributes to business growth target for the area, builds on the area's sector strength in advanced manufacturing, enables growth in a significant polymer sub sector in the northern part of the GCGP area, directly levers in private sector investment to bring forward new commercial business space. This project has support from officers at Rutland County Council.
18. This project would still take place without the LEP funding however there would be a larger commitment from company cash reserves and/or a commercial mortgage. This would mean the warehouse is likely to be built as planned but the expansion of the toolmaking would be curtailed meaning the project would not deliver the scale of new jobs and apprenticeships.
19. The company currently sub contracts a large number of projects (2/3rds to China). Through expanding the tool room and equipment on site the firm will be able to undertake a larger proportion of work themselves, increasing jobs.

20. This project has planning permission, a main contractor has been selected following a tender exercise and preparatory works have commenced on site. The project would be completed in December 2015.
21. The appraisal has reviewed the project risks given the stage of the project, other funding in place and company status this project is seen as low risk. The firm has good procedures and policies for managing risks and there is a risk plan for this project delivery.

ITEM 9: Minutes of Previous Meeting

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF GREATER CAMBRIDGE AND GREATER PETERBOROUGH ENTERPRISE PARTNERSHIP HELD AT GRANTA PARK ON MONDAY 29TH JUNE 2015

Present: Mark Reeve (Chairman)
John Bridge
Cllr Steve Count
Trevor Ellis
David Gill
Claire Higgins
Cllr Terry King
Mark Read

In attendance: Neil Darwin – Chief Executive
Adrian Cannard – Director of Strategy
Steve Bowyer – Board Advisor
Cllr Lewis Herbert – Cambs City Council (Observer)
Cllr John Holdich – Peterborough City Council (Observer)
Graham Hughes – Board Advisor
Jo Lancaster – HDC Observer
Pete Northover - BIS
Michael Tolond – Company Secretary
Laura Welham-Halstead – Head of Communications and Connectivity
Jane Paterson-Todd – CEO Cambridge Ahead (for Minute 2015/61)
Adam Breeze – External Consultant (for Minute 2015/58)

MINUTE NO.		ACTION
2015/56	APOLOGIES FOR ABSENCE Apologies for absence were received from Cllr Jason Ablewhite, Prof Michael Thorne, Cllr James Waters and Prof Ian White.	
2015/57	CHIEF EXECUTIVE'S UPDATE Neil Darwin reported on the continuing work on the Skills Deal throughout the GCGP LEP area. Work had also continued on ESIF projects with 22 submitted to date.	
2015/58	ENTERPRISE ZONE- OPPORTUNITIES AND NEXT STEPS Adam Breeze presented details of the current inward investment landscape and the implications for Alconbury Weald Enterprise Zone in the context of Foreign Direct Investment and job creating projects by UK firms across industrial sectors. The next steps for Alconbury would be a clearer proposition in terms of human and physical resources, property and workforce, smart lead generation being used to identify potential opportunities and the use of intermediaries to bring interested parties together. Neil Darwin stated that a final report would be commissioned from Adam Breeze before the Board considered its next steps.	ND

<p>2015/59</p>	<p>BECOMING A LEADING LEP</p> <p>Mark Reeve introduced the proposals to elevate GCGP into a recognised leader amongst the LEP community and the following recommendations were made in respect of Governance structure and resources:</p> <ul style="list-style-type: none"> - To build a strong set of ‘products’ to secure a single vision at the earliest opportunity across the GCGP area and its constituent members - To change the Board and its immediate supporting structures through geographic sub-groups and draft amendments to the Articles of Association - To note the terms of reference for the sub-groups - To support the inclusion of South Holland district into the GCGP LEP area - To agree the changes at resource level with GCGP’s Executive - To align the sub-groups closer to the Board <p>Directors indicated their views on the various proposals which included concerns over the creation of geographic sub-groups, the lack of prior consultation and engagement with various business networks and the local authorities. There was support among the Board from the business sector directors for the recommendations for two sub-groups.</p> <p>Directors representing the local authorities in the GCGP area stated that they could not support the proposals in their existing form. The board discussed the LEP’s eligibility to be a voting partner on the City Deal. BIS Local confirmed there is no legal reason why GCGP cannot be a voting member, as other LEPs are around the country.</p> <p>On the basis of the discussions and views indicated it was agreed that a revised proposal would be prepared taking account of the views of all stakeholders and interested parties from local authorities and businesses for submission to the Board at the next meeting.</p> <p>Directors supported the inclusion of South Holland district into the GCGP area by majority vote.</p>	<p>ND</p>
<p>2015/60</p>	<p>GCGP POSITION ON DEVOLUTION</p> <p>Mark Reeve outlined the GCGP position on devolution and requested support for its statement as follows:</p> <ul style="list-style-type: none"> - The LEP would wish to be part of any future discussions on a Cambridgeshire devolution deal - GCGP would continue to operate in a manner that does not match local authority boundaries - GCGP would be in a position to add value to the creation of one or two Combined authorities in Cambridgeshire - GCGP would work with Government and combined authorities on an integrated skills and training programme, delivery of local transport schemes, housing, employment and business support - GCGP would support local authorities by offering to deliver economic development services <p>Cllr Steve Count outlined the position of local authorities in the LEP area in respect of devolution issues in particular a need for unanimity of support amongst the authorities. John Bridge indicated that the business community fully supported the creation of unitary authorities with elected Mayors to ensure positive benefits for businesses.</p>	

	<p>Directors supported the overall LEP position on devolution with the GCGP being closely involved in the development of any future deal for the area.</p> <p>Any developments regarding devolution and the views of Directors would be included in a revised position statement for review at the July meeting.</p>	ND
2015/61	<p>CAMBRIDGE MANIFESTO</p> <p>Jane Paterson-Todd, CEO of Cambridge Ahead, presented 'The Case for Cambridge' in terms of growth potential and the need for continuing investment by Government. The contribution of Cambridge based companies to the national economy as well as the threat to Cambridge's growth potential particularly in respect of transport infrastructure and housing costs was outlined.</p> <p>The benefits to the UK of investing in the Cambridge region were detailed particularly in respect of road and rail investment, building more housing stock and providing commercial development opportunities. The Board fully supported the proposals. The manifesto would now be presented to Government via the Treasury in the first instance following a meeting of all the partner organisations of Cambridge Ahead including the LEP.</p>	
2015/62	<p>DEVELOPING GCGP'S HOUSING PROPOSITION</p> <p>Neil Darwin presented GCGP's Housing Proposition which covered the key issues of identifying sufficient key workers to deliver the homes, funding for private and/or public provision, infrastructure to support the housing growth, available land, a planning system that works and the demand for housing. The potential roles for GCGP would include getting homes built in the right place at the right time to support economic growth, providing housing that was affordable to people working in the GCGP area and to ensure a forward looking construction industry with a skilled workforce.</p> <p>The Board supported the development of a housing theme within GCGP's wider role of supporting economic growth particularly where the LEP could add specific value. This would include particularly the provision of affordable housing in the GCGP overall area, not just within the Cambridge area.</p>	
2015/63	<p>AGRI-TECH GROWTH DEAL – PROJECT UPDATE</p> <p>Mark Reeve presented the project update on the Agri-Tech Growth Deal and requested:</p> <ol style="list-style-type: none"> 1. Approval for £350,000 of Growth Deal funding for the Food Centre of Excellence Skills Project 2. Approval for £1,550,000 of Growth Deal funding for the Agri-Tech Grant Scheme 3. To note the process for future deals with Government <p>These items were approved by the Board.</p>	
2015/64	<p>APPROVAL OF MINUTES</p> <p>The minutes of the meeting held on 26th May 2015 were approved.</p>	
2015/65	<p>ANY OTHER BUSINESS</p> <ol style="list-style-type: none"> 1. <u>Oakham Heights Rutland</u> Terry King reported that approval for the Oakham Heights development had been given by Rutland County Council 	

2015/66	DATE OF NEXT MEETING The date of the next meeting was fixed for Tuesday 28 th July 2015 at 3pm at Alconbury Weald.	
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