

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF GREATER CAMBRIDGE GREATER
PETERBOROUGH ENTERPRISE PARTNERSHIP HELD AT ALCONBURY WEALD ENTERPRISE CAMPUS
ON TUESDAY 19TH DECEMBER 2017**

Present: Mark Reeve (Chair)
Trevor Ellis
John Bridge
Claire Higgins
Cllr John Holdich
Cllr Steve Count
Cllr James Waters
David Gill
Prof Iain Martin
Prof Andy Neely
Mark Read
Steve Elsom
Cllr Oliver Hemsley

In attendance: Martin Whiteley (CA)
Kim Sawyer (CA)
Karl Gardiner (GCGP)
Paul Sayles (GCGP)
Chris Malyon (Cambs County Council)
Laura Welham-Halstead (GCGP)
Adrian Cannard (GCGP)
Darren Edey (GCGP)
Michael Tolond (Company Secretary)
Russell Simpson (Grant Thornton)
David Dunckley (Grant Thornton)
Richard Williams (Pinsent Masons)

Minute No.		ACTION
2017/92	<p>WELCOME Mark Reeve welcomed Richard Williams from Pinsent Masons and two members from Grant Thornton, Russell Simpson and David Dunckley. Mr Williams explained he was present as an adviser to Martin Whiteley.</p> <p>The Board were also made aware minutes were being taken by Andrea Sanderson.</p>	
2017/93	<p>APOLOGIES FOR ABSENCE Mark Reeve confirmed that apologies for absence were received from Board Members Cllr Robin Howe who tendered his resignation from the Board yesterday and Peter Abel, who also resigned from the Board recently due to his new role. Mark Reeve asked for the minutes to record the Board's appreciation for their contributions. Apologies had also been received from Cllr Lewis Herbert and Pete Northover from BEIS.</p>	

2017/94	<p>DECLARATION OF INTEREST</p> <p>Cllr Steve Count declared an interest in Item 5 from his involvement with the Combined Authority. Cllr Count has taken advice and does not currently feel conflicted but will declare during the meeting if he feels otherwise.</p> <p>Cllr John Holdich also declared an interest in Item 5 on the same grounds.</p> <p>No other declarations of interest were made.</p> <p>Mark Reeve then asked all members around the table to introduce themselves.</p>	
2017/95	<p>ITEM 3 – CHAIRMAN’S BRIEFING</p> <p>a) BEIS Annual Conversation held on 5th December 2017</p> <p>Mark Reeve reported that BEIS were unable to be present at the meeting however there was nothing specific to report back to the board that was not covered later on in the agenda other than the Alconbury EZ Receipts dispute with HDC which is currently being considered with BEIS and Huntingdonshire District Council. Cllr Steve Count reported that he was unaware of any dispute with the EZ receipts and that this was the first time he had heard the word ‘dispute’ used. Mark Reeve confirmed that the original understanding was that the LEP would receive 100% of the receipts however HDC are trying to change the arrangement in order to receive a similar agreement as that received by Cambridge Compass EZ</p> <p>Cllr Count reiterated that he was not aware of the dispute and its potential financial impact on the LEP</p> <p>b) Overview of the NAO report</p> <p>Mark Reeve confirmed this report was received on 29th November 2017 with a draft version the day before. We have commented on the findings and there are two issues around policies and diversity issues. No issues of misappropriation of public funds were found in the investigation. The Public Accounts Committee are going to look at the report in January and the outcomes will be shared with the Board.</p>	
2017/96	<p>ITEM 4 – GCGP LEP FINANCES</p> <p>a) Finance verbal overview</p> <p>Paul Sayles confirmed the latest short-term cash position - currently £170k in the Bank. After paying Salaries and HMRC this week there will be £50k remaining. If the LEP does not receive any further</p>	

funding there will be insufficient funds available (at week 5 of the 13 week cash flow cycle) and therefore the organisation will be unable to pay salaries in January.

Steve Elsom raised the issue of potential overdraft facility. Paul Sayles confirmed that Metrobank had been unable to assist with this request.

- b) Independent review of the finances and accounts of the LEP undertaken by Grant Thornton

David Dunckley reported that Grant Thornton were brought in to provide an overview and recommendations on the current LEP situation in relation to cash flow, accruals, governance, growth and corporation tax.

Board members were asked if they had any questions on the report. Cllr John Holdich said there were no questions as he was dumbfounded by the findings. Claire Higgins said that it was not pretty reading in any shape or form and Cllr Holdich seconded this.

Mark Reeve stated that it was his understanding that if the Board decide to adopt the Members Voluntary Liquidation route the funding will be released which will allow for all creditors to be paid.

Mark Reeve further stated that if the decision is taken to adopt a strategy to put the LEP into Members Voluntary Liquidation all Board members, including the Chair, will be asked to resign and Martin Whiteley will be elected as the Sole Director. Martin is not currently a member of the Board.

It has been made clear that if this decision is not supported then then no further funding will be released and the Company would consequently be insolvent.

Mark Reeve confirmed that if the proposed Members Voluntary Liquidation strategy is adopted the LEP will transition to a different arrangement whereby it will be part of the Combined Authority under the Mayor, James Palmer and that funding should then be released.

Martin Whiteley stated in relation to the Grant Thornton report that 2 substantive points have been raised. 1. There is concern over what the historic postings of £489k in April 2016 relate to and 2. Confirming the position on Corporation Tax. Paul Sayles has taken the action on both these points to take them forward to resolution.

Claire Higgins raised the issue of Top Slice. Chris Malyon explained the basis on which Top Slice could be potentially secured by the LEP. Martin Whiteley confirmed that there is ongoing dialogue to ensure delivery of capital

	<p>expenditure and there may be an opportunity to bring in top slice however the current situation makes this more difficult.</p> <p>The Company accounts are currently outstanding and have not been signed off, Martin Whiteley confirmed that we need to know the full clarity of the current situation before the accounts can be filed. Claire Higgins queried whether these need to be signed off by the Board and Mark Reeve confirmed that if item 5 goes ahead the directors would not be able to sign them off.</p> <p>Mark Reeve confirmed that under the item 5 proposal Martin Whiteley would become Sole Director and that the current Board members may want to take advice on this following the meeting today.</p> <p>Mark thanked the two members from Grant Thornton for attending the meeting.</p> <p>[As there were no further questions for the representatives from Grant Thornton they left the meeting]</p>	
2017/97	<p>COMBINED AUTHORITY AND THE LOCAL ENTERPRISE PARTNERSHIP</p> <p>Mark Reeve suggested moving straight to Item 5 the Members Voluntary Liquidation proposition.</p> <p>Martin Whiteley confirmed that he has held discussions with Ministers and various civil servants who have stated verbally that no further monies will be released to the LEP until fundamental organisational changes have been made (as outlined in the proposal of Board Paper agenda 5 item)</p> <p>Should the Board agree to these proposals then the Government have indicated that they will release short term funding to cover those liabilities that exist in January and February and when provided with a full schedule of total liabilities these will be met.</p> <p>This will allow the Company to be wound up solvently and meet all its financial commitments.</p> <p>Richard Williams from Pinsent Masons confirmed that ne had advised Martin Whitley that such Government support will allow the Board to adopt a strategy for Members Voluntary Liquidation.</p> <p>ClIr Count raised the issue that once again this was all being taken on a verbal basis and he was not comfortable in being asked to resign from the Board without Government providing a letter confirming they will pay all creditors, the Board require reassurance in writing that this will happen to protect the Directors from any liability.</p> <p>Martin Whiteley confirmed he will write to the Government with immediate effect requesting release of funding subject to the proposals tabled in Board Paper agenda 5 item being met.</p>	

Steve Elsom asked what would happen if liabilities emerged in the future and for confirmation that the Government will pick up any future claims from creditors. Richard Williams from Pinsent Masons said that once the Company had gone into Members Voluntary Liquidation has been agreed in that eventuality he anticipated the Government would then be approached by Martin Whiteley and the Liquidator for payment of any future creditors that did emerge. Martin Whiteley confirmed that in his view it was reasonable to think that the Government would be supportive in meeting any such claims as it wanted the LEP to continue on an orderly basis.

Claire Higgins questioned whether creditors can make claims post liquidation. Richard Williams said that a members voluntary liquidation process typically takes up to 12 months to conclude and for the company to be dissolved. However claims can be made up to 6 years after the company has been dissolved to restore the company, However creditors tend to claim in the first few months.

Cllr James Waters and Steve Elsom raised concern over Board members' liability and want to see something in writing from the Government to be able to take back to their own Boards for reassurance.

Martin Whiteley confirmed that if all Board members agreed to vote today to adopt a strategy to place the Company into Members Voluntary Liquidation and tender their resignation from the Board the next steps would be for Martin to write to the Secretary of State's office by 3pm tomorrow (Wednesday 20th) in order to get a response on Friday or as early as practically possible.

The Board members were then asked to vote on the Members Voluntary Liquidation proposition. Specifically the Board each agreed unanimously that they should all resign as from the Board and that a strategy be adopted for the Company to be wound up on a solvent basis by 31 March 2018. The Board agreed to this on the conditions that they will:

- a. Receive written confirmation that all short-term liabilities of the Company will be met by Government i.e. the liabilities up to and including 31st January 2018; and
- b. Receive written confirmation that, when known, all the remaining disclosed outstanding liabilities of Company will be met by Government. This will ensure that the Company can be successfully wound up, and that proposals for a new LEP and its board (the Business Board), can be implemented with certainty.

Richard Williams from Pinsent Masons stated that until the conditions were met the Board remained in office.

Following the vote, Steve Elsom stated that over the past few months there has been inappropriate disrespectful wording in the press and this does not reflect the good work the members have done.

	<p>Cllr Count advised that this would be discussed with the CA tomorrow and it was proposed to make this a smooth process with press. Mark Reeve confirmed that the intention is to make it an 'elegant process'.</p> <p>Martin Whiteley confirmed that a paper is going to the CA Board tomorrow. This will ensure there is as much investment in this area as possible, the CA will become the accountable body.</p> <p>The CA will be the decision-making body for all funding and a new Business Board will be set up which will have a loud voice both in local and central government.</p> <p>Operationally the staff of both the LEP and the CA will come together as one single office and structure to provide strength and resilience and a powerful business board.</p> <p>Steve Elsom asked for the press release wording to be changed from 'restore public confidence' to 'restore central <u>government</u> confidence'.</p> <p>Cllr Count confirmed that the press release is being handled by the CA. Mark Reeve has not seen anything on any media channel to support the view that the public have lost confidence.</p> <p>John Bridge reiterated the Boards desire that any press statements released and transition were handled positively and with dignity. If this was not the case the Chamber of Commerce would voice their concern publicly as they would not allow incorrect statements to be made.</p> <p>Mark Reeve wished to formally thank the Board for their commitment, patience and determination during this time. The Board equally thanked Mark for his commitment during difficult circumstances.</p>	
2017/98	<p>ITEM 6 – PREVIOUS MINUTES AND ACTIONS</p> <p>Mark Reeve noted there were no previous actions and the minutes were agreed.</p>	
2017/99	<p>ANY OTHER BUSINESS</p> <p>Richard Williams from Pinsent Masons will organise changes to the Articles of Association in due course to reflect the change of Directors. He further stated that Martin Whiteley, by way of his role as interim Chief Executive of the LEP, was automatically entitled to become a director under the Articles. The Board unanimously confirmed that Mr Whiteley was appointed as a director.</p> <p>MEETING CLOSED</p>	