



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
BUSINESS BOARD: MINUTES

**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Date: Monday, 30th April 2018

Time: 10.00a.m. – 11.15a.m.

Present: James Palmer (Mayor), Professor Andy Neely, Charles Roberts, Councillor Lance Stanbury and Councillor Wayne Fitzgerald

1. INTERIM MEMBERSHIP OF BUSINESS BOARD AND APPOINTMENT OF INTERIM CHAIR AND VICE CHAIR

The Board was asked to formally agree the interim membership of the Business Board for recommendation to the Combined Authority. The current membership of the Business Board - James Palmer, Charles Roberts, Councillors Stanbury and Fitzgerald, and Professor Andy Neely – was noted.

The Monitoring Officer requested nominations for Chairman. James Palmer nominated Charles Roberts, and this was seconded by Councillor Fitzgerald. There being no further nominations, the Monitoring Officer declared Charles Roberts elected as Chairman.

The Chairman welcomed everyone to the first meeting of the Business Board. He asked for nominations for Vice Chairman. James Palmer nominated Councillor Fitzgerald, which was seconded by Councillor Stanbury. There being no further nominations, Councillor Fitzgerald was appointed Vice Chairman.

It was unanimously agreed to:

- (a) Agree the interim membership of the Business Board as follows:
 - 1) Two private sector members
 - 2) Four public sector members

- (b) Subject to (a) above,
 - 1) to appoint Professor Andy Neely as a private sector member
 - 2) to appoint the following as public sector members: a. James Palmer, Mayor of the Combined Authority , b. Councillor Charles Roberts, c. Councillor Lance Stanbury, d. Councillor Wayne Fitzgerald

- (c) Appoint Charles Roberts as Interim Chairman and Wayne Fitzgerald as Vice Chairman of the Business Board

2. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies received from Richard Tunnicliffe, who had been invited to attend as an observer.

3. MINUTES OF SHADOW BOARD MEETING – 22ND MARCH 2018

The minutes of the Shadow Board meeting held on 22nd March 2018 were agreed as a correct record.

4. PROPOSALS FOR MEMBERSHIP OF BUSINESS BOARD AND ACHIEVING PARTNERSHIP WORKING WITH THE COMBINED AUTHORITY BOARD

The Monitoring Officer presented a report on the proposals being developed by the Business Board to secure its longer term membership for consultation with those councils within its geography, with business leaders, and with the Combined Authority. Members were reminded of the background to the Business Board, following an approach by James Palmer to the Chair of the former Greater Cambridge Greater Peterborough Local Enterprise Partnership (LEP), and that the Board had been meeting in shadow form to develop a new approach to supporting businesses and economic growth in the region.

A key issue was that the geography of the former LEP area was not aligned to that of the Combined Authority, and this would form part of the consultation with the constituent councils of the former LEP, the Combined Authority and the private sector. The report sought permission to begin this consultation immediately.

Members were reminded that these decisions were being taken in the context of the national review of LEPs by Government. The consultation would be based on several principles, such as eight private sector Board members, with a focus on the main sectors, including one Member to specifically represent the interests of Small/Medium Size Businesses (SMEs) and one from the education sector. The initial proposal was that two public sector members should be appointed, including the Mayor and Economic Growth Portfolio Holder of the Combined Authority.

One Member queried whether two public sector members on the Board was sufficient to reflect the diverse nature of the area's geography, particularly the Cambridge Sub Region which covers areas beyond Cambridgeshire and Peterborough, to take on the views of those neighbouring authorities. It was confirmed that the intention was for the public sector members not to be voting members of the Business Board, as it should be entirely business led. The Mayor commented that this was entirely appropriate – as decisions from the Business Board would be referred to the Combined Authority, it would be inappropriate for public sector members to effectively have two votes. He added that the Combined Authority worked because individual areas were not trying to push their case, and the best way to secure investment and influence was working collectively. He saw the Business Board working in a similar way for the LEP geography, and it was important that politicians did not dominate the Business Board. There was an extraordinarily large amount of money available which the Business Board could use to drive investment in business development and business growth.

The Chairman suggested that Board members should represent their respective sectors e.g. industry sector/public sector and not a specific geographical area. Another Member suggested that the political representation should be at the Combined Authority meetings, the Business Board's focus was business, economic development

and growth. The Member who had raised the issue concurred, but pointed out that because local authorities were extremely focused on growth, they should be able to influence the decision making of the Business Board, and ensuring that conduit was available was absolutely essential.

It was noted that one of the expected outcomes of the national LEP review was that there would be a recommendation for co-terminosity, i.e. authorities being members of one LEP and one LEP only.

There was a query on the timeframe for the consultation. The Monitoring Officer advised that she would circulate this to Board Members following the meeting. **Action required.**

It was agreed that one of the principles which would be consulted on was that the public sector members of the Business Board would not be voting members.

It was resolved unanimously to:

1. note that the geography of the Combined Authority and the former Local Enterprise Partnership are not aligned and therefore further consultation with the Combined Authority, constituent councils of the LEP area and private sector members, is required before the permanent membership of the Business Board can be agreed. The Monitoring Officer/Legal Counsel would issue a proposed timescale to members of the Board for that consultation.
2. agree that a further report will be brought to the Business Board in June concerning the membership of the permanent Business Board.
3. note that these decisions are being taken in the context of the LEP national review by Government which is expected shortly.
4. consult with the Combined Authority, the constituent councils of the LEP geography and the private sector members of the Business Board on the initial proposals by the Shadow Board that:
 - (a) the membership should be based on the principles in paragraph 2.10 of the report
 - (b) the Board should consist of up to 8 private sector board members, particularly industry leaders active in the following sectors:
 - a) Agri-food, drink and horticulture
 - b) Advanced manufacturing and materials
 - c) Life Sciences
 - d) Digital and the creative industries
 - (c) Agree that one of the private sector board members will be appointed specifically to represent the interests of Small / Medium Size Businesses (SMEs) and one private sector member will represent the education sector.

5. propose to the Combined Authority Board that initially two public sector members should be appointed to the Business Board to include:

- (a) the Mayor of the Cambridgeshire and Peterborough Combined Authority in accordance with the Devolution Deal; and
- (b) the Economic Growth Portfolio Holder of the Combined Authority.

5. INTERIM TERMS OF REFERENCE AND CONSTITUTIONAL ARRANGEMENTS

The Monitoring Officer presented a report proposing Terms of Reference and milestones for the interim phase of the Business Board. A more in depth report on constitutional arrangements would be presented to the September meeting. It was noted that all Business Board decisions would need to be ratified by the Combined Authority. Members agreed that it was important to have good governance arrangements in place from the outset.

It was resolved unanimously:

- (a) to agree the interim terms of reference of the Business Board (Appendix 1 to the report) and constitutional arrangements (Appendix 2 to the report).
- (b) that a further report be brought to the September meeting of the Business Board to finalise the terms.

6. INTERIM ASSURANCE FRAMEWORK

Members considered the draft Assurance Framework. The Monitoring Officer reminded the Board that every Local Enterprise Partnership was required to operate in accordance with a number of strict governance rules and procedures, which were captured in the LEP's Assurance Framework. The draft presented was an interim document based on the former LEP's Assurance Framework.

In light of comments made earlier in the meeting, the Monitoring Officer suggested that there should be a caveat that the front sections of the draft Assurance Framework required more work to emphasise that there would be a consultation on governance arrangements, as it currently gave the impression that membership had already been determined. In addition to the section on governance, the Assurance Framework set out the day to day operational arrangements, including appropriate guidelines for project appraisals.

Martin Whiteley provided an update on work with central government: it was particularly encouraging that Cambridgeshire and Peterborough had been asked to help with how the framing of local arrangements would operate, specifically co-designing how LEP arrangements would operate with the Combined Authority model. The government's LEP review should be complete in June or July, and it was important that the Cambridgeshire and Peterborough model was consistent with that position. The Assurance Framework stressed the importance of partnership development, not just locally but also nationally.

It was resolved unanimously to:

- (a) review the contents of The Business Board Assurance Framework;
- (b) officially sign off the Assurance Framework as compliant;
- (c) note that a single Assurance Framework for the Combined Authority and The Business Board would be brought to a future meeting.

7. RECRUITMENT OF PRIVATE SECTOR BOARD MEMBERS

The Board considered a report on the proposed process for recruiting private sector Business Board members. The importance of appointing the most suitable individuals, for both compliance with the Assurance Framework and moreover, effectiveness of the Business Board, was stressed. The report set out the key skills and attributes prospective Board Members should have, and outlined the proposed appointment process. The report also explored the issues of Board remuneration. Given the discussions earlier in the meeting about geography, and that the government's LEP review was not yet published, the Monitoring Officer commented that some revisions may be required. In addition, timescales and dates needed to be agreed. It was therefore proposed that a further report be considered at the June Business Board meeting.

In discussion, it was noted that whilst specific individuals may be invited to apply, there was a commitment to an open and transparent process, so all prospective Board members would be invited to apply in an open recruitment process.

Following a Member question, it was confirmed that the current proposals required candidates to have a connection with the area i.e. they had to live or work in the area. Generally, it was felt that the criteria were not sufficiently flexible and might not attract the right calibre and range of candidates. It was also confirmed that whilst eventually there would be eight private sector members, it was not vital that all eight were in place following this round of recruitment: what was important was to have the right people in place, and be in a position to appoint a private sector Chairman and Vice Chairman.

In terms of timescales, the Monitoring Officer confirmed that two rounds of recruitment were proposed the first in June and the second in September. If there was insufficient candidates from the first round, there would be a second round.

A Member asked if specific individuals were being targeted, or whether the intention was to go out to a more general advertisement. The Monitoring Officer advised that the intention was to carry out some soft market testing initially, to identify key areas and who may be available. Until that exercise was complete, it was difficult to pin down what the potential make up would be.

It was resolved unanimously to:

- (a) agree the process to undertake some soft testing of the market prior to appointing the private sector Board members ;
- (b) agree with the Combined Authority the process for nominating the public sector members;
- (c) receive a further report at the June Business Board meeting regarding the recruitment

8. RATIFY DECISIONS TAKEN BY SHADOW BUSINESS BOARD

The Monitoring Officer reminded the Business Board that the Shadow Board had met on a number of occasions, and that a Decision Log had been produced as a result of actions arising from those meetings. A minor amendment to decision no. 6 in the Decision Log was noted.

The Mayor suggested that when the Business Board was fully formed, and the legal/governance areas had all been decided, it would be appropriate for the Chief Executive to simply be the Chief Executive, rather than a shared position.

It was resolved unanimously to ratify decisions made by the shadow board as set out in appendix 1 of the report, as amended.

9. FORWARD PLAN AND DATES OF FUTURE MEETINGS

The Board received a report on the calendar of meetings for 2018/19, and its Forward Plan.

It was resolved unanimously to:

1. note the forward plan;
2. agree the dates of future meetings, as set out in the report.

10. INDUSTRIAL STRATEGY – KEY MESSAGES

The Interim Director of Business and Skills presented a report on the government's Industrial Strategy. The Strategy stresses the importance of 'place' in the context of economic activity and growth, linking in to the vision being developed for the Business Board which was very much focused on place.

Members noted the following key points of the Industrial Strategy:

- the five foundations of productivity: ideas, people, infrastructure, business environment and places. Key industrial policies around each of these headings were explained.
- how the five foundations would enable the UK to tackle a series of *Grand Challenges*, specifically Artificial Intelligence and the data revolution, clean growth, Mobility and the Aging Society;
- five sector deals had been announced so far: Life Sciences, Construction, Artificial Intelligence, Automotive, and Creative Industries.

The Chairman commented that it was clear that the local industrial strategy needed to be put in place as soon as possible, and this needed to be the focus of the Business Board going forward.

The Interim Director was thanked for her excellent summary.

In discussion, the following points were raised:

- whilst the local industrial strategy needed to be closely aligned to the national Industrial strategy, the 'place' aspect was crucial, as it also needed to be readily identifiable as the strategy for Cambridgeshire and Peterborough;
- the importance of Cambridgeshire and Peterborough being well placed to access the Local Prosperity Fund as this will replace European funding.

It was resolved unanimously to note:

- 1) the key messages of the Industrial Strategy and how this links to the vision of the Business Board;
- 2) the developing vision for the Board, which aligns well to the Industrial Strategy;
- 3) that a Local Industrial Strategy is in development and will build upon the findings of the Independent Economic Commission;
- 4) that the interim report of the Independent Economic Commission will be reported to the next meeting of the Business Board to inform the development of the Local Industrial Strategy.

11. GOVERNMENT ECONOMIC FUNDING – KEY ELEMENTS

The Interim Director of Business and Skills presented a report on the Government's funding support for economic growth, outside of the existing £146.7M allocated to the area via the Local Growth Fund, and funding confirmed for the Combined Authority.

The Government announced in the 2016 Autumn budget the National Productivity Investment Fund (NPIF), which was the label for a variety of public spending allocated over the period to 2023. In 2017, the Industrial Strategy White Paper expanded on the government's approach to economic growth, as covered in the previous item on Industrial Strategy. The Industrial Strategy added more detail on the components of the NPIF and related government activity. The majority of the NPIF had been deployed

through government departments and associated bodies running competitive funding bids. The Industrial Strategy also identified “Sector Deals” where industry approaches government with proposals to address challenges. It was important to ensure that the Combined Authority was engaging as early as possible sectorally.

Additionally, there were the following significant funding streams:

- the establishment of UK Research and Innovation (UKRI) in April 2018 would have significant investment in research and innovation;
- the UK Shared Prosperity Fund would eventually replace European Structural and Investment Funds (ESIF) after Brexit.

Members were pleased to note the significant funding opportunities available, and agreed it was important to ensure that the Cambridgeshire and Peterborough area was well placed, especially post Brexit, to access this funding. It was stressed that the Business Board needed to be mindful of changes to the economy, and it was important that the Business Board was as proactive as it could be to put the area in the strongest possible position.

Members discussed the importance of the area not suffering as a result of Brexit, but taking every step to ensure that funding opportunities were maximised, and that the area responded to the significant changes taking place both locally and further afield.

It was resolved unanimously to:

note the current funding landscape to support economic growth

12. GROWTH DEAL – PROGRAMME UPDATE AND NEW INVESTMENTS

The Interim Director of Business and Skills presented a report on both the Growth Deal and Growing Places Fund, which had both been transferred across to the new Local Enterprise Partnership arrangements from 1st April 2018.

Including the submission to government of a Strategic Economic Plan in 2013, there had been three nationally competitive rounds of funding allocations under the Growth Deal. In total £146.7M had been allocated to the area, which had to be used by March 2021. How the various Growth Deal rounds had been targeted and allocated was explained, and also commitments and outputs to date.

The Growing Places Fund was originally a £16M fund allocated to the area, the majority of which was deployed as loans, with the repaid capital becoming available to further projects. This Fund was established in 2012 as a revolving pot to support businesses in creating jobs. Around £22M had been awarded to date, and there was just under £8M within the Growing Places budget that could be deployed. The June Business Board would consider the Growth Prospectus and programme management arrangements.

In response to Member questions, officers acknowledged that the timescales were tight, and advised as the Economic Commission was not scheduled until September, it would

not make sense to issue the prospectus in July, so the timescales needed to be revisited. Clarity was required on those items the Combined Authority was expected to fund, and those from funding sources such as the Growing Places fund, so that they were not muddled. Care also needed to be taken to ensure that the Combined Authority's timescales were not out of kilter with government expectations, as this had been a criticism of LEPs in the past.

A Member commented that the government's Science and Innovation Audits also needed to be factored in to this process.

In a discussion on whether the Combined Authority or Business Board should fund infrastructure, it was suggested that the focus of the Business Board should be business, but if there was a particular infrastructure project which the Business Board felt would drive business growth, this should not be discounted.

Members requested a breakdown of spending committed to date, what was deliverable and what was at risk. **Action required.**

It was resolved unanimously to:

(a) Note the transfer of the Local Growth Fund and Growing Places Fund

(b) Consider a revised timetable and action plan for development of the Growth Prospectus and commitment of remaining Growth Deal funds at the June Board.

13. **FINANCIAL REPORTING DISCUSSION PAPER**

The interim Statutory Chief Finance Officer and Section 151 Officer presented a report Board on the proposed financial reporting arrangements for the Business Board.

Local Enterprise Partnerships are required to complete a quarterly return to Government, setting out the position of all funded projects in terms of financial progress, as well as a range of outputs including employment, housing and skills. In addition to those detailed quarterly reports, it was recommended that the Business Board also received a Growth funds monitoring report as a standing item to every meeting, to enable them to track progress. It was also recommended that an Annual Report, providing a strategic overview of the two growth funds, be received by the Board.

The Board noted that there was currently a recruitment exercise taking place for the Deputy Chief Finance Officer for the Combined Authority. It was recommended that that individual support the Business Board in future, to give a degree of separation.

It was resolved unanimously to:

(a) agree the financial reporting elements referred to in paragraphs 2.6, 2.7 and 2.9 of the report;

(b) note the responsibility to consult on the Combined Authority and Business Board four year plans.

14. DATE OF NEXT MEETING

It was resolved unanimously to note the date of the next meeting – Monday, 25 June 2018 at 10am at Alconbury Weald.

Chairman