



## Appendix 2 – Report to CA Board – 04.09.24

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| Title:               | Cambridgeshire & Peterborough Business Growth Company Limited Closure |
| Report of:           | Richard Kenny, Executive Director Economy and Growth                  |
| Lead Member:         | Dr Nik Johnson, Mayor   |
| Public Report:       | Yes   |
| Key Decision:        | No  |
| Voting Arrangements: | Simple majority of Members present and voting.                        |

### Recommendations:

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| A | To instruct officers to undertake the actions required to wind-up the Cambridgeshire & Peterborough Business Growth Company Limited.   |
| B | To appoint an additional director, Kate McFarlane, Director Policy and Engagement to the Board of the Cambridgeshire & Peterborough Business Growth Company Limited in order to oversee and support the orderly closure of the company |

### 1. Purpose

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| 1.1 | <p>The Cambridgeshire &amp; Business Growth Company Limited (<i>GrowthCo</i>) was incorporated in August 2020 to act as a fund management and contracting vehicle to procure the private sector to deliver growth coaching, grants and equity investments, skills brokering and inward investment promotion. The <i>GrowthCo</i> was also established to enable the management of an allocated amount of Local Growth Fund finance to be used as grant or equity investment in businesses in the area. The company has three major services reflecting the initial aims. These were:</p> <ol style="list-style-type: none"><li>1. <i>The Business Growth Service</i>: targeting places and companies that will have the most impact on our goal to shift to a more inclusive growth dynamic across sub-economies;</li><li>2. <i>The Inward Investment Service</i>: for a new all-economy foreign direct investment and capital investment promotion service for the promotion of employment space and employment property development opportunities to investors and companies from the UK and overseas; and,</li><li>3. <i>The Skills Service</i>: a digital and physical service connecting business with skills providers and talent, including targeted support to double the number of apprenticeships over five years.</li></ol> <p>From conception it was intended the Company would oversee a time-limited project (<i>Growth Works</i>) which concluded at the end of December 2023. The final closure report on outputs and outcomes plus post project evaluation is contained at Appendix A and B to this report.</p> |
| 1.2 | <p>The Board of the Company met on Thursday, 8 August 2024 to consider and approve a resolution to put to the Combined Authority Board to commence the wind-up of the Company.</p>   |

## 2. Proposal

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| 2.1 | <p>At its meeting of Thursday, 8 August 2024 the Company Board considered and unanimously approved the following resolution:</p> <p><i>“To instruct officers to undertake the actions required to wind up the Cambridgeshire &amp; Peterborough Business Growth Company Limited and for the appointment of an additional director from the Executive team at the Combined Authority in order to oversee and support the orderly closure of the company”</i></p> <p>The Articles of Association for the Company state that the Company should have two directors. The Company currently has an independent chair who will resign his position if the Board were to agree the resolution. It is, therefore, proposed that an additional director from within the Combined Authority’s executive team is appointed to oversee and support the orderly closure of the Company. A similar decision to appoint an additional director was agreed by the Combined Authority Board in March 2023 to oversee the closure of both Angle Holdings and Angle Developments (East). This helps to build resilience to avoid any quoracy issues for future Board meetings which will be required to approve the final accounts prior to formal strike-off.</p> |
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## 3. Background

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| 3.1 | <p>The Company was incorporated to oversee a time-limited project (<i>Growth Works</i>) which ended in December 2023. An independent evaluation of the project has been undertaken and the outcomes can be viewed at Appendix A and B.</p>     |
| 3.2 | <p>The Board of the Cambridgeshire &amp; Peterborough Business Growth Company Limited considered a resolution to put to the Combined Authority Board at a meeting held on Thursday, 8 August 2024. The resolution was unanimously carried.</p> |
| 3.3 | <p>At previous Company Board meetings consideration had been given to putting the Company into dormancy with a view to re-establishing the Company. However, at this time company strike-off was considered the most viable option.</p>        |

## 4. Appendices

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| 4.1 | Appendix A. Growth Works Impact Evaluation        |
| 4.2 | Appendix B. Growth Works End of Programme Summary |

## 5. Implications

### Financial Implications

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| 5.1 | No remuneration will be payable to officers acting as a director on subsidiary company Boards. |
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### Legal Implications

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| 5.2 | <p>The Combined Authority is a corporate body with a separate legal personality and is, therefore, capable of owning companies. The Combined Authority may exercise various powers and functions given to it by statute which include a range of express and implied powers to form and acquire shares in a company for the furtherance of the CPCA’s aims such as in the Localism Act 2011 and section 95, Local Government Act 2003.</p> |
| 5.3 | <p>The Companies Act 2006, section 154(1) provides that a private company must have at least one director and section 154 (2) provides a Public Company must have at least 2 directors. Further, section 155 (1) of the Companies Act 2006 requires a company to have at least one director who is a natural person.</p>   |

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| 5.4   | The legal requirement for appointing Directors is governed by the Companies Act 2006. The Board must hold a meeting or pass a written resolution to formally approve the appointment of a new Director. The existing Directors should agree on the appointment and this should be recorded in the minutes of the meeting. An appointment letter setting out the Director role and responsibilities should be issued to the appointee. The register of directors should be updated accordingly and an application to register the new director at Companies House should be made within 14 days from the appointment. |
| 5.5   | The Directors will need to ensure that before any application for strike off is made, all necessary people such as creditors and members have been informed of this decision. The relevant authorities should also be informed such a HMRC. No Director should resign before making an application for strike off.   |
| 5.6   | Part 31 of the Companies Act 2006 sets out the Dissolution and Restoration process for a company and Section 1003 details the steps whereby a company can make an application for a voluntary strike off. Section 1003 (2) any such application must be made by the Directors of the company in the prescribed form. Section 1003 (3) the Registrar cannot strike off a company until after the expiration of 2 months from the publication by the registrar in the Gazette of a notice. The company will be dissolved on publication of another notice in the relevant Gazette.                                     |
| Public Health Implications                  |  |
| 5.7   | None   |
| Environmental & Climate Change Implications |  |
| 5.8   | None   |
| Other Significant Implications              |  |
| 5.9   | None   |
| Background Papers                           |  |
| 5.10  | CA Board August 2020, Item 5.4 Growth Company Corporate Governance <a href="#">Document.ashx (cmis.uk.com)</a><br>CA Board January 2021, Item 3.3 Peterborough and Cambridgeshire Business Growth Co <a href="#">Agenda Item No (cmis.uk.com)</a>  |