

Strategic Funds Management Review March 2023

To: Business Board

Meeting Date: 15th May 2023

Public report: Yes

Lead Member: Alex Plant, Chair of the Business Board

From: Steve Clarke, Associate Director Business (Interim)

Key decision: No

Forward Plan ref: N/A

Recommendations: The Business Board is invited to:

- a) note all programme updates outlined in this paper

1 PURPOSE

- 1.1 This report provides the Board with its regular update on the strategic funding programmes that it is responsible for, this report covers progress to 21st February 2023. This includes the following:
- Spend performance of strategic funds
 - Performance & monitoring of strategic funds and projects
 - Proposed strategy for investing remaining recycled funds
 - Strategic funds - update

2 BACKGROUND

- 2.1 The Business Board has oversight of funds that are related to Local Enterprise Partnership led activity, plus other more recent funding which the Economy and Growth Directorate have bid and secured which the Business Board have an input or interest in.

The funds referenced in this report are listed below:

Local Growth Fund (LGF)	£146.7million	All spent by 31 March 2021, but programme outcomes from its invested projects are still being delivered until 2030. Recycled LGF returned from projects over the medium term and the Business Board awarded £4.7million of recycled LGF last year
Getting Building Funding (GBF)	£14.6million	Business Board awarded the £14.6m GBF to the University phase 2 project
UK Community Renewal Fund (CRF)	£3.4million	Two projects successfully completed through the Growth Works contractor by 31 December 2022.
Levelling Up Fund (LUF) round 1	£20million	Peterborough City Council recipients of capital grant for the University Phase 3 Living Lab. Business Board awarded £2million match funding from recycled LGF.
Levelling Up Fund (LUF) round 2	£48million	Combined Authority secured £48million to deliver Peterborough Station Quarter project
UK Shared Prosperity Fund (SPF)	£9.8million	Combined Authority managing portfolio of 31 projects through Local Authority partners
Rural England Prosperity Fund (REPF)	£3.2million	Combined Authority managing REPF capital grant scheme through four rural Local Authority partners
Create Growth Programme	£1.275million	Three County partnership with the New Anglia LEP and University partners to deliver seed funding support in creative sector
Gainshare	£25.6million	Combined Authority delivering Business and Social impact investment fund (£10million). Included for reference but not covered in this report: Market Towns phase 1 (£13.1million), Market Towns phase 2 (£2.5million)

3 PROGRAMME SPEND

- 3.1 The £146.7 million Local Growth Fund programme closed on 31 March 2021 with all funding awarded to a portfolio of 51 projects including the grant schemes and included the Combined Authority fund management costs. The project expenditure of that original LGF programme to date was £142.5 million as of 31 March 2023.
- 3.2 The spend to end of March 2023 on Business Board projects awarded last year with Recycled Local Growth Funds is shown below:

Project Title	Project Description	Strategic Growth Ambition Fit	Grant Funding Amount	Spend to Date	Leverage Funding	End of Project Monitoring
Illumina Genomics Accelerator	Investment in start-up life science companies	Economic & Growth	£2,000,000	£900,000	£29,000,000	2030
Start Codon Life Science Accelerator	Provides support and seed-funding to High Potential Companies	Reducing Inequality	£3,342,250	£1,820,090	£12,000,000	2030
Business Growth Service - Inward Investment expansion	Investment in the inward investment element of the Growth Works programme	Economic & Growth	£400,000	£0	£0	2030
Barn4 specialist growing facilities	Containerised growing systems on NIAB's Park Farm	Innovation	£400,000	£400,000	£332,785	2025
Fenland Hi-Tech Futures	An investment in equipment for the North Cambs Training Centre	Economic & Growth	£400,000	£400,000	£237,000	2025
COWA Net Zero Project	Develop a centre for green skills specialisms and coordinate skills across Fenland	Health and Skills	£2,000,000	£0	£8,262,471	2030
Ramsey Produce Hub	project will deliver improvements to the Great Whyte, commercial heart of Ramsey	Infrastructure	£1,158,525	£0	£295,000	2027
Centre for Green Technology	Building design at Peterborough College	Infrastructure	£397,093	£397,093	£39,709	2027
University of Peterborough Phase 3	Phase 3 teaching building on ARU Peterborough site	Infrastructure	£2,000,000	£0	£24,000,00	2032
Total Funding			£12,097,868	£3,232,581	£50,166,965	

4 PROGRAMME DELIVERY & MONITORING

4.1 Current approved live projects which are still in delivery phase are listed below with indication of their output progress to date:

Project Title	Job Creation (Forecast)	Actual	Apprenticeships (Forecast)	Actual	Area New or Improved Learning/ Training Floorspace (m2)(Forecast)	Actual	Commercial Floorspace Created (m2) (Forecast)	Actual	Commercial Floorspace Refurbished (m2) (Forecast)	Actual	Commercial Floorspace Occupied (m2) (Forecast)	Actual	Enterprises Receiving Grant Support (Forecast)	Actual	Businesses Receiving Other Grant Support (Forecast)	Actual	Businesses Receiving Non-Financial Support (Forecast)	Actual
Illumina Accelerator	1,033	99	2						437	437	437	437	26	15	0	6		
Start Codon Accelerator	5,190	238												48	14	48	14	
Growth Works Inward Invest	280														10			
COWA Net Zero Project	37		300		226													
Ramsey Produce Hub	13		5						860		260							
University of Peterborough - Phase 3	964		37		4,500													

- 4.2 Officers have been alerted by the College of West Anglia (COWA) that they will be bringing forward a Project change Request (PCR) for the Net Zero Training Centre project which the Business board has awarded £2million recycled LGF as match leverage for the project. The project funding package was to have been made up of £6million LUF and £2million recycled LGF plus a contribution from the private sector.
- 4.3 The £6million LUF was part of the package bid which Fenland District Council submitted to Government last year but this was unsuccessful in that round announcement in January this year.
- 4.4 COWA have now been considering their options and have briefly discussed with Officers a revised project on a slightly smaller scale using modular build to save costs but still deliver the new Net Zero skills outputs and outcomes and are just finalising the detailed project costs and build specification plan before formally submitting the PCR to Officers for due diligence and if agreed presented to the BB in July for recommendation to the Combined Authority board for approval.
- 4.5 The Monitoring of all projects is conducted and gathered on a quarterly basis. The latest monitoring data analysis can be found in Appendix 1 of this report.
- 4.6 The total number of Jobs and Apprenticeships currently recorded through the monitoring process of whole programme stands at 12,179 as of 27th April 2023.
- 4.6 The Business Growth Service independent evaluation is underway, reviewing the Growth Works programme covering the impact, outputs/outcomes, Value for money and learning from the delivery model. The output report and presentation from the consultants will include an analysis of the business support landscape and options of what business support programmes might support the Combined Authority ambition for Good Growth and service business needs. Two Business Board Members are involved in the Steering group overseeing the review, but surveying of wider Business Board members and stakeholders is also part of the process for the review. The evaluation report will be presented back to the Business Board and Local Authorities once completed in May.

5 RECYCLED LOCAL GROWTH FUND

- 5.1 The Business Board has c.£4million in the combined revenue/capital recycled LGF budget in the medium term, as current planned expenditure from this budget winds down to zero and nominal income is forecast to be received.
- 5.2 The Business Board discussed potential options at its update meeting on 24th April for its plan for investing the remaining recycled LGF budget and in tandem the Enterprise Zone income which amounts to c.£800,000 per annum for next nineteen years which is currently unallocated to any spend from 1st January 2024.
- 5.3 A wide-ranging discussion on the investment options ensued with the BB on the 24th April, some discussed are listed below:
- Run an open call for projects based on criteria determined from the EGS and recommend to Combined Authority Board

- Recommend funding be utilised to fund business support programmes as identified from the review of Growth Works – subject to new business case and procurement
- Recommend funding be allocated to businesses via an inhouse managed grants scheme, for example targeting key sectors or to encourage inward investment – subject to business case approval
- Hold funding ready to be utilised as match funding to any larger priority projects that may get proposed as part of a new Combined Authority Devolution deal.

5.4 The Business Board resolved at the meeting on the 24th for Officers to do more work on the options including cost per impact/intervention and to hold off taking a decision to include the final review of the Growth Works programme and the associated analysis on the business support landscape. To support this, it was agreed to set up a short-term sub-group of the Business Board to work on the options and to prioritise the possible options and related recommendation and to bring back the proposed options and recommendation to the BB to formally agree.

5.5 The Combined Authority Board approved the Economic Growth Strategy (EGS) Implementation plan at its meeting in March and it is proposed that the chosen options for this investment activity for the remaining recycled LGF is aligned to the delivery of the EGS Implementation plan.

5.5 The Business Board will be invited to determine and endorse a preferred option on investing the recycled LGF to be recommended to the Combined Authority Board, beyond that whichever option approved would be more developed and brought back to the Business Board and Combined Authority Board for approval.

5.6 The approved option would be developed up by Officers and would be subject to business case approval and procurement processes where required and applicable under the Local Assurance Framework.

6 STRATEGIC FUNDS UPDATE

6.1 COMMUNITY RENEWAL FUND

Officers have completed reconciliation with the delivery contractor and the final claim was submitted and has been paid by DLUHC for the programme which nationally is now considered closed. The final evaluation reports for the two projects delivered through the programme can be found attached to the paper at Appendix 2a for Start & Grow and Appendix 2b for Turning Point.

6.2 LEVELLING UP FUND

The Peterborough Station Quarter project awarded £48million via the Combined Authority successful bid has started work on delivery of the workplan via the project partnership. DLUHC also announced in March £1.125million additional funding available to the Combined Authority, this was secured via a plan to enhance capability and capacity for Combined Authorities and their partners to deliver LUF projects and develop the evidence and pipeline for future LUF bids. The proposed plan submitted was approved and the

Combined Authority has secured the funding split £625,000 for 2023-24 and £500,000 for 2024-25.

6.3 UK SHARED PROSPERITY FUND

The Implementation Plan for the core UKSPF was approved by the Combined Authority board after being recommended by the Business Board.

The Strategic Funds team have issued grant funding agreements for each of the projects to the Local Authorities and delivery organisations, now awaiting sign-off of those agreements by the delivery partners.

DLUHC confirmed the allocation of £3.2million to the Combined Authority for Rural England Prosperity Funding via an announcement in April, the letter of determination and the funding agreement are yet to be received from the Department. In the background Officers are working with the four rural Local Authorities to set up their processes for managing the capital grant scheme.

6.4 GAINSHARE

Officers have commenced procurement for an Investment Fund delivery contractor for the Business Growth Investment Fund project. The market engagement event being run in early May and then invitation to tender released to the market, aiming to complete procurement and contract during July.

The Market Towns Programme (Phase 2) which secured Combined Authority board approval for £2.5million to strengthen local communities and groups and to support for social enterprises and community-owned businesses. The Phase 2 objectives are:

- Safeguarding and enhance social capital, employment opportunities, and skills in market towns throughout Cambridgeshire and Peterborough by:
- Boosting the local Social Enterprise ecosystem through the implementation of Social Enterprise Hub space
- Support Community ownership of local assets
- Boosting young people's engagement with STEM.

Programme deliverables:

- Stream 1 - Community ownership of local businesses - to establish a dedicated support programme, community "support package" and bursary funding for community groups in Cambridgeshire & Peterborough, with a focus of revitalising assets in rural areas.
- Stream 2 - Social enterprise hubs - the creation of one or more social enterprise hubs in Cambridgeshire & Peterborough. The hubs will support the growth of social entrepreneurship and the social economy ecosystem across market towns and rural areas, providing co-working / business start-up space for social enterprises alongside community space and a retail offer for residents and communities.
- Stream 3 - STEM exhibition programme - to support the capital element of an educational programme, to be delivered via pop-up science centres, located in publicly owned buildings, community or educational facilities in the Cambridgeshire & Peterborough market towns and rural areas. The pop-up centres will be accessed

by children, families, schools, and adult groups and aim to raise awareness and aspirations for STEM related study and careers.

Expected outcomes and benefits sought from the programme include:

- Jobs created and safeguarded in the third sector, social enterprise ecosystem, and community interest groups.
- Revitalisation of market towns by bringing back vacant assets into use through community ownership
- Driving footfall in market towns by restoring the service offer and increasing local amenity
- Increasing the local sense of pride in place
- Increased educational aspirations of local school children in market towns and improved long-term outcomes
- Creation of community space for use by local people, increasing social vitality and reducing social isolation.

The Programme is also moving into mobilisation phase which includes the procurement of delivery partners through published prospectus and funding call. The Programme is due to be launched in June 2023.

6.5 GETTING BUILDING FUND

The Materials and Manufacturing Research and Development Innovation centre building shell has been completed and work plans for internal fit-out underway, currently discussion are underway with partners to join the Joint Venture company and taking lease space in the building are positive. Savills are advertising the space available in the building and the Business Board members are encouraged to promote wherever possible.

6.6 CREATE GROWTH FUND

The Creative East programme was an officially launched in February and is now live providing support on funding opportunities via competitions for seed funding in the creative sector across the three Counties. The first cohorts are being recruited to the programme and the link to the programme is: [Creative East | Create Growth Programme | Ignite your business growth](#)

6.7 UKRI INNOVATION LAUNCHPAD

Although Government had intention to announce in the spring there is still no news from Government regards the two Expressions of Interest (EOI) that CPCA submitted to UK Research and Innovation (UKRI) in response to a call in England for Innovation Launchpads.

7 SIGNIFICANT IMPLICATIONS

7.1 FINANCIAL IMPLICATIONS

None.

7.2 LEGAL IMPLICATIONS

None.

7.3 PUBLIC HEALTH IMPLICATIONS

Within the broad portfolio of funded projects many have a positive impact on public health regarding creation of key employment or skills outcome improvements across the Combined Authority. Good work and personal skills development are key determinant of positive health outcomes.

7.4 ENVIRONMENT & CLIMATE CHANGE IMPLICATIONS

The programmes of funding contain various projects which will deliver impacts for environment and climate through the wider changes and innovations in sectors such as Agri-food, green engineering, and life sciences and digital that are Cambridgeshire and Peterborough global strengths. Success in these sectors will contribute to the global environmental and climate response.

7.5 OTHER IMPLICATIONS

None.

8 APPENDICIES

8.1 Appendix 1 – Quarterly Monitoring data Business Board programmes

8.2 Appendix 2 – Community Renewal Fund final evaluation reports (2a Start & Grow project and 2b Turning Point project)

9 BACKGROUND PAPERS

9.1 Community Renewal Fund Award Approval
[Combined Authority Board 24 Nov 2021 Agenda item 3.6](#)

9.2 Getting Building Fund Award Approval
[Combined Authority Board 25 Nov 2020 Agenda Item 3.5](#)

9.3 Levelling up Project Approval
[Combined Authority Board 30 June 2021 Agenda Item 7.2](#)

9.4 UK Shared Prosperity Fund Implementation Plan Approval
[Combined Authority Board 22 March 2023 Agenda Item 7.4](#)

9.5 Gainshare Business Growth Fund Approval
[Combined Authority Board 30 November 2022 Agenda Item 4.5](#)

9.6 Gainshare Market Towns Phase 2 Approval
[Combined Authority Board 22 March 2023 Agenda Item 5.4](#)