

## Strategic Funds Management Review - March 2022

To: Business Board

Meeting Date: 14 March 2022

Public report: Yes

Lead Member: Chair of the Business Board, Austen Adams

From: Deputy Director Business and Skills, Alan Downton

Key decision: No

Recommendations: The Business Board is invited to:

Note all programme updates outlined in this paper.

## 1. Purpose

- 1.1 This report provides the Board with an update on the strategic funding programmes that it is responsible for, this report covers progress to 1 February 2022. This includes the following:
- (a) Spend performance of allocated funds
  - (b) Monitoring and spending performance of allocated funds
  - (c) Community Renewal Fund mobilisation Update
  - (d) Future Funds update

## 2. Background

- 2.1 The Local Growth Fund (LGF) £146.7million programme was closed and all spent by 31 March 2021, but programme outcomes are still being delivered beyond 2021. Local Growth Funds provided Grants, Loans or other forms of funding such as Equity Capital Investment.
- 2.2 The £14.6million Getting Building Funding (GBF) was awarded to the Cambridgeshire and Peterborough Combined Authority in July 2020 to be spent by end of March 2022 and projects delivered to completion during 2022. The Business Board awarded the £14.6m GBF to the Net Zero Manufacturing Research and Development Innovation Centre, University phase 2 project.
- 2.3 The UK Community Renewal Fund (CRF) awarded a grant of £3,393,851 to the Combined Authority in November to deliver two projects by 30 June 2022. The Projects are Turning Point which is a skills and employment support programme, and Start and Grow which is an enterprise pre-start and start-up support programme. Both projects will be delivered through the existing Growth Works contractor.
- 2.4 In the Levelling Up Fund (LUF) round 1 Peterborough City Council were awarded £20million of capital grant for the ARU Peterborough Living Lab and University Cultural Quarter project. Fenland District Council are currently developing a LUF application ready for round 2 submission with support from the Combined Authority.

## 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 allocated Combined Authority fund management costs. The project expenditure of the LGF programme totalled £142,657,839 million at 31 January 2022.
- 3.2 The £14.6million GBF is fully awarded including the £827,000 grant to Peterborough City Council (PCC) for provision of a car park infrastructure to support this project.
- 3.3 The Business Board awarded £2m from its future recycled fund in June 2021 to the University phase 3 project. Peterborough City Council have secured the balance of full funding package from the LUF of £20million and £4million from Anglia Ruskin University, Shareholder Agreement is currently being amended between the partners to facilitate the investment into the Peterborough HE Ltd (Propco 1).

## 4. Programme Monitoring

- 4.1 The Monitoring of all projects in delivery is conducted by the Strategic Funds team on a monthly and quarterly basis. The Business Board is asked to note latest updated Monitoring report of all outputs at Appendix 1 for all projects both completed and live.
- 4.2 The current monitoring update shows that there have been in total 5,928 actual jobs created reported from all projects by February 2022. The added graphs in Appendix 1 show the whole LGF programme jobs created cumulative to date and also the current year relative performance each month against forecast.
- 4.3 The Local Growth Fund dashboard with quarterly updated project outputs and outcomes can be found on the CPCA website:  
[Local Growth Fund | Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](https://cambridgeshirepeterborough-ca.gov.uk)

## 5. Community Renewal Fund Update

- 5.1 The Grant funding Agreement from Department for Levelling Up, Housing and Communities (DLUHC) was signed off by the Chief Finance Officer and subsequently countersigned by DLUHC.
- 5.2 The grant agreement prepared for flow-down of the grant to the Cambridgeshire and Peterborough Business Growth Company (Growth Co) and Contract Change Notices being concluded with the Growth Works contractor.
- 5.3 Agreements have been issued to each of the Local Authorities providing match funding into the Start and Grow CRF project in order to transfer those funds into the Growth Co as part of the flow-down grant funding agreement. Peterborough City Council have fully countersigned, Fenland District Council and Huntingdonshire District Council just finalising.
- 5.4 The Mobilisation of the two projects being funded by the CRF continues ahead of agreements being fully signed with the Growth Works contractor as the window for delivery is very tight, with soft marketing being undertaken and recruitment of additional delivery team members. A pipeline of prospective beneficiaries is now in delivery for both projects and at the next Business Board meeting the first 3 months of delivery will be reported to the Board.

## 6. Future Funding

- 6.1 UK Shared Prosperity Fund (SPF) pre-launch guidance has been published in parallel to the Levelling Up White Paper with full launch of the new funding criteria due in spring 2022. Key points for the Business Board to note are that every place in the UK will receive a share of the new funding to the lower tier authorities, apart from where there are Mayoral Combined Authorities who will oversee the funding allocation for those areas.

The allocations of funding will be decided by Government targeting where funds are needed most, based on a formula derived from productivity data and deprivation indices on lower tier authority geographies. Where possible these funds will be awarded to Combined Authorities,

for areas which do not have a devolution deal with Government the funds will be awarded at District/Unitary level.

The SPF will be a mixture of revenue and capital and it can complement devolved, towns & LUF but will require an evidence based strategy to be used in this way.

The process outlined in the pre-launch guidance notes there will be an indicative allocation but each Lead Authority has to develop a Local Investment Plan based on local strategies with clear outcomes, which once submitted and approved by Government in the summer will confirm the actual allocation of funding that will be awarded to the Combined Authority.

The guidance outlines four main objectives for the SPF:

1. Boost productivity, pay, jobs and living standards, especially in those places where they are lagging
2. Improve public services
3. Sense of community, local pride and belonging
4. Empower local leaders

These objectives in the guidance are set against three main priorities for the new fund which are:

- Communities and place
- Local business
- People and skills (but only from 2024 onwards)

The Business & Skills Directorate is developing an Economic Growth Strategy that will encompass the strategically important objectives, priorities, interventions and project themes which the Business Board is being asked to approve and recommend to the Combined Authority Board in a separate paper. This strategy, once approved by the Combined Authority Board, will help to form the underpinning strategic basis for creating the Cambridgeshire and Peterborough SPF Local Investment Plan in readiness for the call from Government is launched for SPF investment plans to be submitted.

- 6.2 Combined Authority Officers continue to support the preparation work on applications for LUF round 2 regeneration projects to be submitted from Fenland District Council, Peterborough City Council or Huntingdonshire District Council when Government announces LUF round 2 open for bids.

## Significant Implications

### 7. Financial Implications

- 8.1 None

### 8. Legal Implications

- 8.1 None.

## 9. Public Health implications

- 9.1 Within the broad portfolio of funded projects many have a positive impact on public health in regard to 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.

## 10. Environmental and Climate Change Implications

- 10.1 The programmes of funding contain various projects which will deliver impacts 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 response.

## 11 Other Significant Implications

- 11.1 None.

## 12. Appendices

- 12.1 Appendix 1 – Business Board LGF Investment Monitoring Report

## 13. Background Papers

- 13.1 Community Renewal Fund Award Approval  
[Combined Authority Board 24 Nov 2021 Agenda item 3.6](#)
- 13.2 Strategic Funds Management Review January 2022  
[Business Board 10 Jan 2022 agenda item 2.2](#)
- 13.3 Local Growth Fund Documents, Investment Prospectus, guidance and application forms,  
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/>
- 13.4 List of funded projects and MHCLG monitoring returns,  
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/>
- 13.5 Local Industrial Strategy and associated sector strategies,  
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/>