

Business Board	Agenda Item
10 July 2023	3.5

Title:	Strategic Funds Management Review
Report Officer:	Interim Associate Director Business, Steve Clarke
Lead Member:	Interim Chair of the Business Board, Andy Neely
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	No vote required

Recommendations:

A	To note the updates contained within this report
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities

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 15 th June 2023.
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2. Update

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	Programme outcomes being delivered from invested projects in programme until 2030. Recycled LGF returned from projects over medium term, Business Board awarded £4.7million recycled LGF last year still being monitored.
Getting Building Funding (GBF)	£14.6million	Business Board awarded the £14.6m GBF to the University phase 2 project invested Propco2 for delivery

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)

2.2 CURRENT SPEND ON LIVE PROJECTS:

The spend to end May 2023 on Business Board projects awarded with Recycled Local Growth Funds shown below:

Project Title	Project Description	Strategic Growth Ambition Fit	Grant Funding Amount	Spend to Date	Leverage Funding	End of Project Monitoring	Project Delivery on track or comments
Illumina Genomics Accelerator	Investment in start-up life science companies	Economic & Growth	£2,000,000	£900,000	£29,000,000	2030	Yes, still in investing period
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	Yes, still in investing period
Business Growth Service - Inward Investment expansion	Investment in the inward investment element of the Growth Works programme	Economic & Growth	£400,000	£400,000	£0	2030	Yes, outputs achieved
Barn4 specialist growing facilities	Containerised growing systems on NIAB's Park Farm	Innovation	£400,000	£400,000	£332,785	2025	Yes, Spent now monitoring outputs
Fenland Hi-Tech Futures	An investment in equipment for the North Cambs Training Centre	Economic & Growth	£400,000	£400,000	£237,000	2025	Yes, Spent now monitoring outputs
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	No, Project Change Request expected in September

	Ramsey Produce Hub	project will deliver improvements to the Great Whyte, commercial heart of Ramsey	Infrastructure	£1,158,525	£0	£295,000	2027	Slight delay, Commencing delivery when SPF agreement signed
	Centre for Green Technology	Building design at Peterborough College	Infrastructure	£397,093	£397,093	£39,709	2027	Yes, Spent now monitoring outputs
	University of Peterborough Phase 3	Phase 3 teaching building on ARU Peterborough site	Infrastructure	£2,000,000	£0	£24,000,00	2032	Yes, funding expected to be drawn in later stage of project
	Total Funding			£12,097,868	£3,632,581	£50,166,965		

2.3 PROGRAMME DELIVERY & MONITORING

Officers have previously reported to the Board that the College of West Anglia (COWA) 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. COWA have now been working up an option for 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. They have appointed design consultants who are still finalising the detailed project costs and build specification plan and are getting additional Quantity Surveyor advice and will now not be bringing the PCR for due diligence in mid-July which means it will now tabled for the Business Board meeting in September for recommendation to the Combined Authority board for consideration.

The Monitoring of all projects is conducted and gathered on a quarterly basis. As the last round of quarterly data gathered and reported at Business Board meeting in May the next quarter won't be gathered and reported until the Business Board meeting in September.

The Business Growth Service independent evaluation was delayed and will now be completed end of June which unfortunately is not in time for this board paper. The output report 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. The draft final report will be shared directly via email to the Business Board Members for review prior to final presentation of findings to the Directors of Cambridgeshire and Peterborough Growth Company, and the Combined Authority constituent Local Authority Officers

2.4 UK SHARED PROSPERITY FUND

The Strategic Funds team have started to receive signed grant funding agreements for each of the projects from Local Authorities and delivery organisations, as they are counter signed-off first claims for funding are being invited.

First formal 6 monthly return was submitted to DLUHC requesting carry forward of all unspent funds form 2022/23. Once the team at DLUHC have reviewed the return we will receive notification of our 2023/24 allocation which should include the underspend.

The Rural England Prosperity Funding is being managed through a revision to the UK Shared Prosperity Fund (UK-SPF) Memorandum of Understanding (MOU), the MOU having been received by the Combined Authority to be signed to receive and disperse the funds as per the approved Addendum to the UK-SPF Local Investment Plan. There is a separate paper to this Business Board meeting that outlines the Implementation plan.

The MOU was returned to DLUHC 16/06 and the GFA for the fund is now being worked up. The relevant districts are taking the proposals for use of REPF through their governance arrangements and hope to sign off by members by end of July.

2.5	<p>GAINSHARE</p> <p>Officers have commenced procurement for an Investment Fund delivery contractor for the Business Growth Investment Fund project. The market engagement event was held in early May, followed by a questionnaire exercise for interested delivery partners to complete to help inform the final invitation to tender (ITT). The feedback received has helped inform the specification and the ITT will be released to the market during July, with target for contract award and contract commencement likely by September.</p> <p>The Market Towns Programme (Phase 2) Programme has moved into mobilisation phase after completing the procurement of delivery partners through a published prospectus and funding call.</p> <p>The contracts are being worked up for the selected delivery partners in each workstream within the programme as per below:</p> <ul style="list-style-type: none"> • Stream 1 - Community Ownership of Local Businesses – Lead Delivery Partner – Plunkett Foundation • Stream 2 - Social Enterprise Hubs – Lead Delivery Partner – Social Enterprise East of England • Stream 3 - STEM Exhibition Programme - Lead Delivery Partner – Cambridge Science Centre <p>Update report on the delivery milestones and first outputs/outcomes will be presented back to the Business Board, and Combined Authority Board, at their meetings in November.</p>
2.6	<p>GETTING BUILDING FUND</p> <p>The Materials and Manufacturing Research and Development Innovation centre fully built by the Peterborough Research and Development Property Company Ltd (Propco2) fully investing all the Getting Building Funds, discussions have now advanced with the new partner to join the Joint Venture company and take lease space in the building. The new partner would be taking on managing and marketing the space within the innovation centre. This is ongoing.</p>
2.7	<p>CREATE GROWTH FUND</p> <p>The Creative East programme, funded by DCMS' Create Growth Programme, secured £1.275m in funding to the end of March 2025 to deliver an investment readiness business support programme for the creative industries sector across Norfolk, Suffolk, Cambridgeshire and Peterborough. The consortium, which acts as the Governance Group, is made up of New Anglia LEP, Cambridgeshire and Peterborough Combined Authority, University of East Anglia, ARU Peterborough, Norwich University of the Arts, University of Suffolk, and Norfolk and Suffolk County Councils.</p> <p>There are four 12-week cohorts that will be delivered across the geography. Cohort 1 is progressing well and is centred around Norwich/Norfolk from April to July 2023. Cohort 2 is centred around Ipswich/Suffolk from September to December 2023 and the application deadline is 7th July 2023. Cohorts 3 (Peterborough) and 4 (Cambridge) will be delivered in 2024. For the Peterborough cohort, which will commence in February, the deadlines are 22 December 2023 for expressions of interest (EOI) and 12 January for applications. The Cambridge cohort will commence in September 2024 and the deadlines are 21 June for EOIs and 5 July for applications.</p> <p>Following successful applications, creative industries businesses on the cohorts will have a diagnostic session with one of the Creative East investment advisors to review the business' initial investment proposition and to understand the business needs. There are weekly Masterclass sessions and workshops (mixture of online and face-to-face) ranging from pitching practice to developing your offer. Investment advisors will also facilitate bespoke mentoring support from the pool of mentors to help businesses achieve their objectives and get the most out of the programme.</p> <p>In addition to the investment readiness business support programme, creative industries businesses across the Creative East geography have access to specific Innovate UK Grant Funding Competitions for the Create Growth regions. Competition 1 closed on 8th February 2023 and gave an opportunity for micro, small and medium sized creative industries businesses to apply for £10,000-£30,000 for innovation projects to grow their business. Each Create Growth region had 18 successful businesses receiving grant funding from this programme (please see attached for our list – embargoed until the publication of the Creative Industries Sector Vision on 14 June 2023). In this announcement, DCMS increased the budget for the Create Growth Programme by £10.9m bringing it to a total of £28.4m to the end of March 2025. This will enable DCMS to double the number of Create Growth regions to twelve.</p> <p>The Creative East team are engaging with Assistant Principal Faculty of Business, Innovation and Entrepreneurship Faculty of Creative and Digital Arts and Sciences at ARU Peterborough to discuss how ARU can best input into the programme, support with venues and to understand how the Creative East team can access the creative industries network in the area. Even though the application portal is</p>

	<p>coming soon for the Peterborough Cohort, the team have received a small number of EOIs already. There is a pipeline of relevant contacts which the programme will be marketed and targeted towards once the first Cohort has been delivered.</p> <p>The feedback we have received to date from participants on the programme show that they have really valued the bespoke nature of the programme, the peer-to-peer nature (but centred around creative industries businesses which they welcome), the pitching sessions have gone down very well and the access to experienced mentors who have a wealth of experience, expertise and industry contacts that can benefit their business.</p>
2.8	<p>UKRI INNOVATION LAUNCHPAD</p> <p>Government has now confirmed it is likely to announce in the summer regards the two Expressions of Interest (EOI) that the Combined Authority submitted to UK Research and Innovation (UKRI) in response to a call in England for Innovation Launchpads.</p>

3. Appendices

3.1	None
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4. Implications

Financial Implications

4.1	None
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Legal Implications

4.2	None
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Public Health Implications

4.3	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.
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Environmental & Climate Change Implications

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

4.5	None
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Background Papers

4.6	<p>Community Renewal Fund Award Approval Combined Authority Board 24 Nov 2021 Agenda item 3.6</p> <p>Getting Building Fund Award Approval Combined Authority Board 25 Nov 2020 Agenda Item 3.5</p> <p>Levelling up Project Approval Combined Authority Board 30 June 2021 Agenda Item 7.2</p> <p>UK Shared Prosperity Fund Implementation Plan Approval Combined Authority Board 22 March 2023 Agenda Item 7.4</p> <p>Gainshare Business Growth Fund Approval Combined Authority Board 30 November 2022 Agenda Item 4.5</p> <p>Gainshare Market Towns Phase 2 Approval Combined Authority Board 22 March 2023 Agenda Item 5.4</p>
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