



THE BUSINESS BOARD

BUSINESS BOARD

Tuesday, 12 January 2021

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

14:30 PM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

Virtual Meeting

AGENDA

PRIVATE MEETING

Part 1 - Governance

1.1 Apologies for Absence and Declarations of Interest

1.2 Minutes - 10th November 2020

5 - 16

Part 2 - Funding and Growth Fund

2.1	Covid-19 and EU Transition Update Oral Update	
2.2	Budget and Performance Report	17 - 24
2.3	Local Growth Fund Programme Management Review - January 2021	25 - 46
2.4	University of Peterborough - Incorporation of PropCo2	47 - 70
2.5	University of Peterborough Manufacturing & Materials Research & Development Centre Project Change Request Part 3 - Strategy and Policy	71 - 94
3.1	LEP Partnering Strategies	95 - 102
3.2	Business and Market Engagement Update	103 - 120
	Part 4 - Future Meetings	
4.1	Business Board Headlines for Combined Authority Board	
4.2	Business Board Forward Plan	121 - 128

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Membership

The Board currently comprises

Private Sector Members

Member	Sector
Austen Adams (Chairman)	Advanced Manufacturing
Tina Barsby	Agri-Tech
Mark Dorsett	Advanced Manufacturing
Faye Holland	Communications
Aamir Khalid	Advanced Manufacturing, Research & Development, and Small & Medium-sized Enterprises
Al Kingsley	Digital & Education
Nicki Mawby	Skills & Education
Jason Mellad	Life Science
Andy Neely (Vice-Chairman)	Skills & Education
Nitin Patel	Advanced Manufacturing and Small & Medium-sized Enterprises
Rebecca Stephens	Digital & Communications
Kelly Swinger	Skills & Education

Public Sector Members

Name	Position	Body
James Palmer Substitute Cllr Anna Bailey	Mayor	Cambridgeshire and Peterborough Combined Authority
Cllr John Holdich Substitute Councillor Wayne Fitzgerald	Deputy Mayor and Portfolio Holder for Economic Growth	Cambridgeshire and Peterborough Combined Authority

The Business Board is committed to open government and supports the principle of transparency. With the exception of confidential information, agendas and reports will be published 5 clear working days before the meeting. Unless where indicated, meetings are not open to the public.

For more information about this meeting, please contact Nick Mills at the Cambridgeshire County Council on 01223 699763 or email nicholas.mills@cambridgeshire.gov.uk.

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Clerk Telephone:	01223 699763
Clerk Email:	Nicholas.Mills@cambridgeshire.gov.uk

Business Board: Minutes

Date: 10 November 2020

Time: 2:30pm – 4:50pm

Present: Austen Adams (Chair), Andy Neely (Vice-Chair), Dr Tina Barsby, Faye Holland, Councillor John Holdich, Aamir Khalid, Nicki Mawby, Jason Mellad, Mayor James Palmer, Rebecca Stephens and Kelly Swinger.

180 Apologies for Absence and Declarations of Interest

Apologies were received from Mark Dorsett, Al Kingsley and Nitin Patel.

Tina Barsby declared a non-statutory disclosable interest in relation to 'Local Growth Fund Programme Management Review - November 2020' (agenda item 2.2) and 'Cambridgeshire and Peterborough Agri-Tech Sector Strategy' (agenda item 3.3).

181 Minutes of the Meeting Held on 15th September 2020

The minutes of the meeting held on 15th September 2020 were approved as a correct record.

The minutes of the extraordinary meeting held on 19th October 2020 were approved as correct record, pending the following correction to the third bullet point of Minute 2.1 – 'Getting Building Fund Project Proposal – October 2020' (removal in strikethrough, addition in bold):

Clarified that the Cities and Local Growth Unit expected the infrastructure to be completed by March-2020 **2022**.

With regard to progress made since the Business Board nominated Austen Adams as its representative on the Greater Cambridge Partnership Executive Board at the extraordinary meeting on 19th October 2020, it was noted that a formal written response from the Greater Cambridge Partnership had yet to be received.

While considering the Action Log, it was noted that the stakeholder contacts provided by Board members (Minute 152) would be used for engagement to support public relations and marketing activity.

182 Public Questions

No public questions were received.

183 Budget and Performance Report

The Business Board received an update and overview of the revenue funding lines within the Business and Skills directorate, which included figures to 30th September 2020.

While discussing the report, the Business Board:

- Sought clarification on the reasons behind the high underspend on the Health and Care Sector Work Academy, one of the Skills Revenue Programmes listed in Appendix 1 of the report. The Finance Manager informed members that it was a pilot scheme that had been initiated by the Department for Work and Pensions in 2019, although delays and its initial short timespan had impacted on its deliverability and timeframe. She confirmed that the project was currently running and would continue to do so into 2021.
- Observed that monthly capital costs related to the Peterborough University project, as listed in Appendix 1 of the report, ranged between £45k and £175k but culminated in a significantly higher cost of £11.564m in March 2021. One member expressed concern about having such high costs in the last month of the financial year and the potential risk that it would slip into the following year. The Finance Manager informed members that the cost did not reflect Local Growth Fund investment but corresponded to the Combined Authority's equity investment in the project that would be transferred to the property company once share agreements had been signed. It was not certain exactly when this would occur, although the Director of Business and Skills indicated that Anglia Ruskin University, Peterborough City Council and the Combined Authority were on schedule to sign by the end of November. He emphasised the importance of achieving this in order to achieve the delivery deadline date of March 2022 and informed the Board that he had used his position as a director of PropCo, under provisions of the Combined Authority, to provide £360k of funding.

It was resolved unanimously to:

Note the update and financial position relating to the revenue and capital funding lines within the Business & Skills Directorate.

184 Local Growth Fund Programme Management Review – November 2020

The Business Board received an update on the Local Growth Fund's (LGF) programme performance to 16th October 2020. The final third of the £35m grant payment had been received from the Cities and Local Growth Unit on 30th October 2020, which provided reassurance that all funding commitments would be met, while the Brampton Hub LGF project had been withdrawn, resulting in an additional £2.4m for the LGF pot. The Board was asked to recommend to the Combined Authority to approve withholding a further £100,000 of funds allocated to the Eastern Agri-Tech Growth Initiative to close out the scheme, handle final claims and create a full programme evaluation and report during 2021-22. The Board was informed that the Mayor of Cambridgeshire and Peterborough had approved the Getting Building Fund to the Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre project, subject to conditions recommended by the external appraiser, as had been recommended by the Business

Board at its extraordinary meeting on 19th October 2020. It was noted that a further £1.4m of the £5.5m COVID Capital Grant scheme had been paid out since the report had been written, bringing the total amount paid out to £3.6m.

Pending the Board's approval of an application in the subsequent item and resulting from the withdrawn Brampton Hub project, £2.043m of the LGF pot remained available for allocation and spending prior to March 2021, and the Business Board was asked to consider two options for recommendation to the Combined Authority Board. The first option was to restart the COVID Capital Grant scheme, which had a backlog of 200 applications totalling £6.725m from the previous scheme, although it was noted that all such applications could not be approved and that this could risk causing further disquiet in the business community. The second option was to place the funding in the Growth Grants strand of the Business Growth Service, which would represent a new resource for a wider range of potential applicants. The Director of Business and Skills noted that over £200m was being made available to firms through the furlough scheme and various business-related grants, suggesting that an additional £2m would not have as large an impact on Covid-19 recovery projects as it would on business growth projects. Based on job creation figures from the previous COVID Capital Grant scheme, he estimated an additional 320 jobs could be created through the first option, while the second option was likely to create two to four times as many jobs. He also emphasised that the funding could only be spent on capital and could not therefore be treated as an emergency revenue grant.

While discussing the report and considering the options for allocating the remaining LGF funds, the Business Board:

- Queried whether sole traders would be able to access funding through either of the two options for additional LGF funding. It was clarified that LGF funding could not be allocated to sole traders and was therefore targeted to small and medium-sized enterprises. A previous scheme targeting sole traders and smaller businesses had run alongside the COVID Capital Grant scheme, but it was funded by Gainshare funds with fewer constraints.
- Expressed concern that funding from the Business Growth Service would target specific high-growth sectors and therefore fail to assist the businesses areas that were suffering the most, such as restaurants and cafes. The Director of Business and Skills observed that high-growth companies existed across all sectors and were not limited to specific high-growth sectors, although he acknowledged that local restaurants and pubs were not likely to be high-growth.
- Acknowledged the success of the previous COVID Capital Grant scheme in providing vital support and confidence to keep local businesses running, but argued that the long term strategy required a significant level of retraining of unemployed workers, which would be better provided through the Business Growth Service. This included assisting companies in adapting to the evolving situation and post-Covid-19 environment. One member identified the evidence of the previous COVID Capital Grant's success as a reason for supporting a restart of the scheme, whereas the Business Growth Service represented an untested approach.
- Noted that the Mayor of Cambridgeshire and Peterborough was seeking business development funding to be provided from the government on an annual basis, which would provide support similar to that of the COVID Capital Grant scheme, although

there was no guarantee that the efforts would be successful or indication of when any annual funding would be agreed or provided.

- Emphasised the importance of the fact that allocating the funding to the Business Growth Service was likely to create a higher number of jobs. It was suggested that accelerating and ensuring the success of high-growth industries would also be of benefit to smaller businesses.
- Confirmed that the Business Growth Service contractor would have the capacity to incorporate the additional funding. The Director of Business and Skills informed the Board that its original tender had been for £6m funding, although that had been halved to support the COVID Grant scheme, and therefore reincorporating £2.043m would serve to replace that initial drop in funding.
- Recognised the success of the Eastern Agri-Tech Growth initiative and supported the withholding of funds as proposed in the report.
- Requested that the recommendations that arose from the LGF Processes Review be added to the Minutes Action Log to ensure they were followed up on. **Action required**
- Suggested that it would be useful to be provided with greater visibility of the working progress of LGF projects in achieving delivery of their expected outcomes, rather than just finding out at the end whether they were achieved or not. The Strategic Funds Manager noted that job creation was continually monitored and included in the monitoring report that was attached as an appendix to the bimonthly LGF Programme Management Review reports. He agreed to investigate including further measures as well as job creation in future reports. **Action required**

Following discussion on the two options presented to the Business Board, it was proposed by the Chairman, seconded by Aamir Khalid, and resolved to:

Recommend to the Combined Authority to allocate the remaining £2,043,178 Local Growth Fund into the Growth Grants strand of the new Business Growth Service.

It was resolved unanimously to:

- a) Note the funding position and forecast for Local Growth Fund Programme including the projects completed and in delivery;
- c) Recommend that the Combined Authority Board delegate authority to Director of Business and Skills in consultation with the Monitoring Officer, Lead member for finance and Section 73 Officer to approve launching the grant scheme approved by the Business Board to receive the remaining £2,043,178 Local Growth Fund;
- d) Recommend to the Combined Authority Board approval, allowing the carry forward of £100,000 of the current funding allocation to the Eastern Agri-tech Growth Initiative scheme to enable the close out of the scheme, handling of final claims, a full programme evaluation and report during 2021-22; and
- e) Recommend all the programme updates outlined in this paper to the Combined Authority Board.

It was resolved to:

- b) Recommend to the Combined Authority to allocate the remaining £2,043,178 Local Growth Fund into the Growth Grants strand of the new Business Growth Service.

185 Local Growth Fund Project Proposals – November 2020

The Business Board received a report which included an application that had been submitted as a Local Growth Fund project proposal, with a view to making a recommendation to the Combined Authority Board. The application was a variant of a project that had been rejected by the Business Board at its meeting on 15th September 2020, although it was noted that the Board had simultaneously encouraged the applicant to rework and resubmit the application for further consideration. The project was to make adaptations to Cambridge city centre to assist the area in overcoming challenges arising from the impact of Covid-19, including for the hospitality and leisure sectors. It was emphasised that funding would be subject to the project complying with conditions that had been proposed by the external appraiser.

While discussing the project proposal, the Business Board:

- Queried how it could be ensured that the project achieved the number of job creations that were estimated in the application. The Strategic Funds Manager clarified that all projects were subject to any conditions set by the external appraiser, one of which in this case was related to job creation. Once grant funding agreements had been signed, projects were held to the conditions laid out in the agreements.
- Welcomed the changes that had been made to the application, arguing that it was more immediate and impactful than the original project which the Board had considered. It was suggested that the project could prove transformational for Cambridge city centre.

It was resolved unanimously to:

Recommend that the Combined Authority Board approve funding for the Cambridge Visitor Welcome project based on the project scoring criteria and external evaluator recommendation.

186 IMET Investment Update and Recovery Recommendations

The Business Board received a report seeking a recommendation for the Combined Authority Board to approve the partial recovery of the LGF investment of £10.502m in the legacy project design and build of a vocational training centre at Alconbury Weald. The Board was also asked to consider a refocusing of the existing legal Grant Funding Agreement to enable the Equipment paid for by the LGF grant to continue to be utilised to achieve skills outcomes to benefit of the current and future cohorts of learners.

Having considered various disposal options for the iMET, it had been established that the only workable process was to take the current lease for the building to the open market, which would also maximise the restitution of funds back to the Combined Authority. The Board was informed that positive meetings to discuss how to achieve this had been held between Cambridge Regional College (current owners of the lease), Urban and Civic (owners of the freehold), and the Combined Authority (the accountable body), leading to the recovery plan under consideration. It was noted that Urban and Civic had agreed to a 70%/30% split in their favour of any funds received over the value of the lease by turning it into a freehold.

While discussing the proposed recovery plan, the Business Board:

- Queried who would retain ownership of the land if the freehold on the building was sold. The Combined Authority's Principal Solicitor of Property, Planning and Highways confirmed that a sale of the freehold would include the land, while ownership would be retained by Urban and Civic under a re-assignment of the existing lease. The Combined Authority would not own the freehold under either of the potential scenarios.
- Acknowledged that it was the Local Enterprise Partnership that had originally approved funding of the project before the Business Board had been formed, but suggested that it would be beneficial to review how such an undesirable situation had arisen, in order to avoid a repetition. The Director of Business and Skills acknowledged the concern and assured the Board that an extensive analysis had been carried out. He observed that the project would not have been approved on the basis of current requirements, as it had been an application for a 100% grant to build that had been submitted without a business plan, a demand survey or a market plan, and without any further procurement.
- Clarified that there were no time restraints on spending any recycled funds that were repatriated into the Local Growth Fund pot.
- Confirmed that the recommendations represented a set of sequential steps to achieve the desired outcome.

It was resolved unanimously to:

- a) Recommend to the Combined Authority Board approval of pursuing clawback of Local Growth Funding in relation to the iMET LFG investment, by selling the iMET building on the open market for a cash receipt back into the recycled Local Growth Funding budget, through agreements with Cambridge Regional College and the Landlord Urban and Civic;
- b) Recommend to the Combined Authority Board to approve to the Combined Authority owning and disposing of the iMET building to effect claw-back, if required. It is not the intention of the transaction as currently envisaged that CPCA would take ownership of the iMET Building. If CPCA do take ownership, it would only be for a short period of time before the iMET is transferred to the end purchaser;
- c) Recommend to the Combined Authority Board, approval of a refocussed Grant Funding Agreement between Cambridge Regional College and the Combined Authority and that final sign-off of that agreement, in relation to the

iMET equipment being retained and utilised by Cambridge Regional College to continue delivering learner outputs, is delegated to the Director Business and Skills in consultation with the s73 Officer and the Lead Member for Finance;

- d) Recommend to the Combined Authority Board that delegated authority is given to Director Business and Skills, in consultation with the Section 73 Officer, the Monitoring Officer and the Lead Member for Finance, to finalise the form and then sign-off the Surrender or Assignment Option Agreement between Cambridge Regional College and the Combined Authority, once full and final agreement with the landlord has been achieved; and
- e) Recommend to the Combined Authority Board that delegated authority is given to Director Business and Skills in consultation with the Section 73 Officer, Monitoring Officer and the CA Member for Finance to finalise Heads of Terms on an agreement with the landlord of the iMET building, which in turn facilitates the final sign-off of the option agreement with Cambridge Regional College.

187 Cambridgeshire and Peterborough Agri-Tech Sector Strategy

The Business Board received a report on the development of an Agri-Tech Sector Strategy for Cambridgeshire and Peterborough. Promar had been commissioned to undertake the work in February 2020 and despite delays as a result of Covid-19, had carried out extensive consultations with organisations and businesses across the region. The Board's input was sought in order to finalise the strategy and allow for it to be formally adopted. It was suggested that the roles of the Board were to leverage the Combined Authority's influence, to provide strong leadership to fulfil the narrative, to help agri-tech businesses become ever more resilient and flexible to volatile and uncertain market conditions, and to identify opportunities.

Promar suggested that Cambridgeshire and Peterborough benefitted from one of the strongest Agri-Tech sectors in the country, and although caution was advised given a variety of current and upcoming challenges, including the impacts of Covid-19 and the UK's withdrawal from the European Union, it was argued that the region was in a good position to overcome the difficult period. Attention was drawn to two areas of key importance in the strategy, which were "policy push" and "commercial pull", while the four underlying themes were identified as narrative, focus, integration and synergy with others, and support business to develop growth.

While discussing the report, the Business Board:

- Queried who had been consulted in the development of the strategy. It was explained that an online survey in conjunction with the Agri-TechE, along with face to face sessions on a remote basis, had been carried out. These processes identified a disconnect between the strength of the sector in the region and the understanding of companies about what was available to them.
- Indicated a desire to discuss the strategy in greater detail before it was presented for final approval. **Action required**

- Suggested that there was a lack of clarity in the report as to whether it was detailing with agri-tech or agri-food issues.
- Welcomed the overview of the strategy's development that was provided by the report but argued that greater emphasis was required on the overall objective, direction and vision. It was also argued that it should include more explicit calls for action and intervention, particularly on the part of the Business Board, as well as a clear identification of the key issues for the region and their possible solutions.
- Suggested there was a need to review other areas of work, including the Local Industrial Strategy, to consider how they were informed or affected by the work carried out so far by Promar.
- Agreed that future iterations of the strategy would be produced and that various Board members would participate in the drafting process, with Tina Barsby coordinating their participation.

It was resolved unanimously to:

Note the draft Agri-Tech Sector Strategy and a presentation from Strategy authors.

188 Covid-19 Local Economic Recovery Strategy – Business Board (November 2020)

The Business Board received a report which updated members on the development of the Local Economic Recovery Strategy (LERS) following further evidence-based insight that had been gained since its first presentation in September 2020, with a second presentation scheduled for the Board meeting on 12th January 2021. The Chair noted that an amended version of Appendix 2, which was itself an appendix to the actual LERS, had been published separately as a late document.

While the underlying long-term goals and objectives had not changed, and the actions that had already been agreed, funded and put into practice would not be halted, it was emphasised that the LERS was and would continue to be an evolving document. As the social and economic impacts of Covid-19 became clearer over the coming weeks, more clarity would emerge on the long-term strategy and actions required, allowing for the second version in January 2021 to identify a more fundamental approach.

While discussing the report, the Business Board:

- Welcomed some members being able to participate in the development of the dashboard produced by Metro Dynamics.
- Paid tribute to how the LERS had been developed since its first draft version, particularly with regard the ability to trace through why the Board was making particular interventions to the original objectives.
- Suggested that there was not a consistent understanding throughout the LERS of what constituted a sector, with some of those labelled as sectors in the document

actually serving more as underpinning or facilitating capacities of other sectors, rather than as a sector themselves.

- Supported the classification of recovery projects into primary, secondary and tertiary interventions, with the suggestion that the Business Board should focus on the identifying and prioritising tertiary interventions, which consisted of those which neither had clear cost-benefit data nor were formally approved.

It was resolved unanimously to:

Recommend the Combined Authority Board approve the updated version of the Local Economic Recovery Strategy (LERS) for Cambridgeshire & Peterborough.

189 Kickstart Scheme

The Business Board received a report asking the Business Board to recommend that the Combined Authority Board approve the request for the Business Growth Service to act as a Gateway organisation and Combined Authority primary referral partner for the Kickstart Scheme, which was launched in September 2020 as an intervention to support economic recovery and offer young people the opportunity of gaining valuable work experience via a 6-month placement.

It was resolved unanimously to:

Recommend the Combined Authority Board:

- a) Approve the Business Growth Service to act as a Gateway Organisation to administer the Kickstart Scheme for the Cambridgeshire and Peterborough area; and
- b) Approve the Business Growth Service as the primary referral partner for any Kickstart requests via the CPCA.

190 Business Board Annual Report and Delivery Plan

The Business Board received an annual report on activities that had been carried out over the previous 12 months, as well as a Delivery Plan setting out ambitions for the coming year. The period covered in the annual report was from March 2020 to March 2021 due to the deferral of the report's presentation when the annual general meeting was rescheduled from May 2020 to November 2020. As a result, activities had been adapted to incorporate the response to the Covid-19, including the Local Economic Recovery Strategy and ongoing reconsideration of other strategies, such as the Local Industrial Strategy.

Members paid tribute to the work identified in the report and acknowledged the challenges that lay ahead.

It was resolved unanimously to:

- a) Approve the Business Board Annual Report for 2019-20 & Annual Delivery Plan for 2020-21; and
- b) Recommend the Combined Authority Board approves the Business Board Annual Report for 2019-20 & Annual Delivery Plan for 2020-21, and for these to be published and formally submitted to the Department for Business, Energy & Industrial Strategy (BEIS).

191 Business and Market Engagement Update

The Business Board received a report which provided an update on business and market engagement activities across the Business and Skills directorate, which sought to raise the Board's profile in the business community and encourage target audiences to engage with interventions.

The Chair welcomed the new format that would be presented to the Board at each meeting and emphasised the importance of promoting the work of the Business Board, especially during the current climate.

It was resolved unanimously to:

- a) Note the update on recent Business and Market Engagement activity; and
- b) Note the future activities to drive increased engagement with target audiences by raising the profile of ongoing and future workstreams within Business and Skills.

192 Business Board Headlines for Combined Authority Board

Acknowledging that all but one of the decisions had been reached unanimously during the meeting, the Business Board noted the headlines that the Chairman would convey at the Combined Authority Board on 25th November 2020.

193 Business Board Forward Plan

Confirming that the next meeting would be held on 12th January 2021, the Business Board noted its Forward Plan.



Business Board Minutes Action Log

This Action Log captures the actions arising from the recent Business Board meetings and updates members of the Board on compliance in delivering the agreed actions. It does not include approved recommendations requiring immediate action (which are recorded on the Decision Log) or delegated decisions (which are recorded separately and held by the Monitoring Officer).

Business Board Meeting Held on Monday 27 July 2020					
Minute	Report Title	Officer	Action	Comments	Status
152 (136).	Minutes of the Meetings Held on 26 th May 2020 and 9 th July 2020	D Cirillo	Ensure remaining members submitted their stakeholder mapping information.	Stakeholder mapping contacts have been received from members and the responses have been collated.	Action Complete
Business Board Meeting Held on Tuesday 15 September 2020					
Minute	Report Title	Officer	Action	Comments	Status
168.	Local Growth Fund Programme Management Review – September 2020	S Clarke	Include a project timeline for each of the projects included in the dashboard to provide greater context to the monitoring reports.	A revised monitoring appendix with project delivery end date has been developed and will be included in future LGF reports to the Business Board.	Action Complete

Business Board Meeting Held on Tuesday 10 November 2020

Minute	Report Title	Officer	Action	Comments	Status
184.	Local Growth Fund Programme Management Review – November 2020	S Clarke	Ensure that the recommendations that arose from the LGF Processes Review be followed up on.	A matrix of the recommendations has been produced to determine if they can be implemented before or after the new funding criteria is announced. Work to develop the pipeline is ongoing.	Action Ongoing
			Consider including further output measures as well as job creation in future monitoring reports.	A revised format with additional output measures will be included in future LGF Monitoring reports to the Business Board.	Action Ongoing
187.	Cambridgeshire and Peterborough Agri-Tech Sector Strategy	S Clarke	The Business Board is to discuss the strategy in greater detail before it is presented for final approval.	Additional feedback has been gathered from Business Board members on the full Agri-Tech Sector Strategy. A workshop is being facilitated in early 2021 to finalise the strategy.	Action Ongoing

Budget and Performance Report

To: Business Board

Meeting Date: 12 January 2021

Public report: Yes

Lead Member: Austen Adams, Chair of the Business Board

From: Vanessa Ainsworth, Finance Manager

Key decision: No

Recommendations: The Business Board is recommended to:

Note the update and financial position relating to the revenue and capital funding lines within the Business and Skills Directorate.

1. Purpose

- 1.1. To provide an update and overview of the revenue and capital funding lines that are within the Business & Skills Directorate to assist the Board to enable informed decision making regarding the expenditure of these funds.

2. Background

- 2.1 The Business Board has requested a summary of the revenue and capital funding lines available within the Business & Skills Directorate, to assist in ensuring financial decisions relating to the revenue and capital funding lines under their control are well informed, financially viable, and procedurally robust.
- 2.2 At the June 2020 Combined Authority Board Meeting, the Board approved a refreshed Medium-Term Financial Plan (MTFP) in relation to the COVID-19 pandemic, including balanced revenue and capital budgets for 2019/20. This report shows the actual expenditure to date and forecast outturn position against those budgets.
- 2.3 The outturn forecast reflects costs incurred to date, accrued expenditure and the impact on the current year assumptions made on staffing, overheads and workstream programme delivery costs as set out in the revised MTFP.

3. Revenue Budgets

- 3.1 A breakdown of the Business & Skills Directorate 'Business Revenue' expenditure for the period to 31st October, is set out in Table 1 in Appendix 1.
- 3.2 The forecast outturn as set out in Table 1 shows an increase in expected costs for the year of £71,601 compared to the budget. 'Actual' figures are based on payments made and accrued expenditure where known. The year-to-date costs may therefore be understated due to the delay between goods and services being provided by suppliers, and invoices being raised and paid.
- 3.3 Variances between the predicted outturn position and the annual budget for the main budget headings are set out below:
 - a. The Growth Hub has received additional funding throughout the course of the year and is currently increasing staffing and programme delivery as per the BEIS conditions of funding. It is almost certain that this budget will be fully sent by the end of the financial year.
 - b. As reported at the last Business Board, LGF Programme Costs are running 50% over budget due to changes in staffing levels, increased legal costs, additional appraisal costs for the COVID-19 Grant Scheme and other additional monitoring and appraisal processes. This increase in costs, whilst exceeding the allocated budget in year, is within the total available within the top-slice reserve, therefore having no detrimental effect on the overall CPCA budget. These costs will decrease next year and the remainder of the top-slice will be utilised to fund the staff required for the final two years

of project monitoring and report writing.

- c. As reported at the last Business Board, Marketing and Promotion is currently forecasting an underspend. This is due to the difficulties in recruiting to the Marketing & Business Engagement post during COVID-19 and therefore the knock-on effect of creating and producing marketing and promotional campaigns and material. The role of Business & Market Engagement Officer was recruited as a 12-month fixed term contract, and it is proposed that any underspend within this budget line will be requested to apply for the monies to be carried forward to ensure that the costs of this role are met.
- d. Again, as reported at the last Business Board, St. Neots Masterplan project has changed and it is currently unsure if the full revenue budget will be spent in-year. There will be a new capital project for St. Neots and the revenue budget will assist in the delivery of this.
- e. Strengthening LEP's is currently forecasting a minor underspend of £9.5k. However, the nature of this reactive budget line means that it is highly likely this budget will be fully consumed come the end of the financial year.

- 3.4 A breakdown of the Business & Skills Directorate 'Business Revenue' income for the period to 31st October, is set out in Table 2 in Appendix 1.
- 3.5 To provide transparency and completeness on the Business budgets, all revenue income will be reported to the Board as part of this report from this meeting forward. This will allow the Board to understand the various income streams, note the effect of any increases and be able to understand any delays or lack of receipt.
- 3.6 The Forecast Outturn as set out in Table 2 shows an increase in funds to the approved budget of approximately £30.5k. This is due to the reprofiling of a number of the loan repayments from the LGF projects.
- 3.7 A breakdown of the Business and Skills Directorate Revenue Expenditure for funding lines under direct control of the Skills Committee for the period to 31st October 2020, is set out in Table 3 in Appendix 1. This data is provided for information purposes only, and full analysis is available in the Skills Committee Reports.
- 3.8 A breakdown of the Business and Skills Directorate Revenue Income for funding lines under direct control of the Skills Committee for the period to 31st October 2020, is set out in Table 4 in Appendix 1. This data is provided for information purposes only, and full analysis is available in the Skills Committee Reports.

4. Capital Budget

- 4.1 A breakdown for the Business & Skills Directorate 'Business Capital' expenditure for the period to 31st October, is set out in Table 5 in Appendix 1.
- 4.2 The Forecast Outturn as set out in Table 5 shows a decrease in expected costs for the year of £8.4m compared to the budget. 'Actual' figures are based on payments made and accrued expenditure where known. The year-to-date costs may therefore be understated

due to the delay between goods and services being provided by suppliers, and invoices being raised and paid.

- 4.3 A full breakdown of LGF Projects is contained within the LGF Update Programme management Review Paper presented to this meeting.
- 4.4 Variances between the predicted capital outturn position and the annual budget for the main budget headings are set out below:
 - a. The LGF Projects are showing a minor underspend of £23.5k on the £72m budget. This is due to some small under claims and sums awarded. This sum will be monitored closely over the course of the next few months to ensure that it is brought in as close as possible to budget.
 - b. Some Market Town Masterplans have been approved at recent CA Boards with some more being presented in January. Whilst these plans are currently active, it is unlikely that the capital projects will begin in earnest until the new financial year.
 - c. As referred to in 3.3d, the St. Neots Masterplan has undergone changes and is currently being reworked but will fall into the 2021/22 financial year
- 4.5 A breakdown for the Business & Skills 'Business Capital' income for the period to 31st October, is set out in Table 6. in Appendix 1.
- 4.6 The Forecast Outturn as set out in Table 6 shows that expected income for the year is in line with the original budget.

Significant Implications

5. Financial Implications

- 5.1 There are no financial implications other than those included in the main body of the report.

6. Legal Implications

- 6.1 The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

7. Other Significant Implications

- 7.1 There are no significant implications.

Budget and Performance Report

Table 1 Business Board Revenue Expenditure	FY 20-21 Project Budget	Actual April 20	Actual May 20	Actual June 20	Actual July 20	Actual Aug 20	Actual Sept 20	Actual Oct 20	Forecast Nov 20	Forecast Dec 20	Forecast Jan 21	Forecast Feb 21	Forecast Mar 21	FY 20/21 Total Spent / Forecast	FY 20/21 Balance Remaining
EU Exit Funding	£ 131,532	£ -	£ -	£ 62,206	£ -	£ -	£ 62,856	£ -	£ 6,470	£ -	£ -	£ -	£ -	£ 131,532	£ -
EZ Funded Growth Company Contribution	£ 230,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 230,000	£ -	£ -	£ -	£ 230,000	£ -
Growth Hub	£ 517,000	£ 10,281	£ 34,457	£ 67,132	£ 37,784	£ 23,788	£ 70,142	£ 14,524	£ 14,800	£ 91,480	£ 32,923	£ 7,900	£ 46,757	£ 451,968	£ 65,032
Integrated Insight Evaluation Programme	£ 189,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 45,000	£ 45,000	£ 25,000	£ 54,000	£ 20,000	£ 189,000	£ -
LGF Programme Costs	£ 400,000	£ -	£ 28,625	£ 111,007	£ 8,000	£ 2,535	£ 127,486	£ 56	£ 55,000	£ 113,245	£ -	£ -	£ 209,523	£ 655,477	£ 255,477
LIS Implementation	£ 176,300	£ 8,840	£ -	£ 10,000	£ 14,750	£ 21,376	£ 40,467	£ 35,000	£ 13,247	£ 50,000	£ -	£ -	£ -	£ 176,000	£ 300
Market Towns Strategy Implementation	£ 222,900	£ 75,000	£ 840	£ 96,666	£ -	£ -	£ -	£ -	£ 99,049	£ 47,931	£ 15,000	£ -	£ 38,391	£ 222,877	£ 23
Marketing & Promotion of Services	£ 145,000	£ -	£ -	£ -	£ 2,773	£ -	£ 4,070	£ 11,040	£ 21,098	£ 11,015	£ 5,015	£ 5,015	£ 25,015	£ 85,041	£ 59,959
Peer Networks	£ 210,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 50,000	£ 55,000	£ 55,000	£ 50,000	£ 210,000	£ -
St Neots Masterplan	£ 254,100	£ 22,722	£ -	£ 17,500	£ 18,373	£ -	£ 21,567	£ -	£ 25,000	£ 25,000	£ 25,000	£ 25,000	£ 25,000	£ 205,162	£ 48,938
Strengthening LEP's	£ 188,000	£ 825	£ 5,780	£ 10,440	£ 3,429	£ 11,063	£ 9,435	£ 5,934	£ 41,334	£ 20,055	£ 40,500	£ 12,530	£ 17,125	£ 178,450	£ 9,550
Trade and Investment Programme	£ 100,000	£ -	£ -	£ -	£ 24,963	£ -	£ -	£ -	£ 24,963	£ 11,000	£ 11,000	£ 11,000	£ 17,000	£ 99,926	£ 74
Grand Total	£ 2,763,832	£ 50,012	£ 69,702	£ 374,951	£ 110,072	£ 58,762	£ 336,023	£ 66,554	£ 345,961	£ 694,726	£ 209,438	£ 170,445	£ 448,811	£ 2,835,433	£ 71,601

Table 2 Business & Skills Revenue Income	FY 20-21 Project Budget	Actual April 20	Actual May 20	Actual June 20	Actual July 20	Actual Aug 20	Actual Sept 20	Actual Oct 20	Forecast Nov 20	Forecast Dec 20	Forecast Jan 21	Forecast Feb 21	Forecast Mar 21	FY 20/21 Total Spent / Forecast	FY 20/21 Balance Remaining
Enterprise Zone Receipts	£ 605,280	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 335,025	£ -	£ -	£ 270,255	£ 605,280	£ -
Growth Hub Grants	£ 536,000	£ -	£ -	£ 51,807	£ -	£ -	£ 224,116	£ -	£ -	£ 179,731	£ -	£ -	£ 80,345	£ 536,000	£ -
LEP Core Funding	£ 500,000	£ 500,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 500,000	£ -
Recycled Growth Funds Interest	£ 124,000	£ -	£ -	£ 670	£ 610	£ 591	£ 552	£ -	£ 550	£ 70,401	£ 550	£ 550	£ 80,097	£ 154,573	£ 30,573
Peer Network Funding	£ 210,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 25,000	£ 75,000	£ 110,000	£ 210,000	£ -
Grand Total	£ 1,975,280	£ 500,000	£ -	£ 52,477	£ 610	£ 591	£ 224,668	£ -	£ 550	£ 585,158	£ 25,550	£ 75,550	£ 540,697	£ 2,005,853	£ 30,573

Table 3. Skills Revenue Expenditure Budgets 2020/21						
Skills Revenue Expenditure	Nov Budget £'000	Nov Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Oct 2020 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
AEB Devolution Programme	11,646.3	-	11,646.3	7,489.7	10,756.6	(889.7)
AEB Innovation Fund - Revenue	336.7	-	336.7	-	336.7	-
AEB Programme Costs	372.7	-	372.7	168.2	402.3	29.6
Apprenticeship Levy Fund Pooling	76.2	-	76.2	33.8	39.4	(36.7)
Careers and Enterprise Company (CEC)	86.2	-	86.2	77.5	84.1	(2.1)
HAT Work Readiness Programme	52.8	-	52.8	36.6	52.9	0.0
Health and Care Sector Work Academy	3,235.6	-	3,235.6	215.5	1,053.1	(2,182.5)
High Value Courses	153.8	-	153.8	-	120.0	(33.8)
National Retraining Scheme	65.1	-	65.1	-	40.0	(25.1)
Sector Based Work Academies	152.0	-	152.0	-	120.0	(32.0)
Skills Advisory Panel (SAP) (DfE)	114.0	-	114.0	12.6	92.6	(21.4)
Skills Brokerage	107.0	-	107.0	75.4	111.6	4.6
Skills Strategy Implementation	120.5	-	120.5	36.0	116.9	(3.6)
University of Peterborough	4.2	-	4.2	143.4	4.2	-
University of Peterborough - Legal Costs	150.0	-	150.0	138.1	150.0	-
Total Skills Revenue Expenditure	16,673.0	-	16,673.0	8,427.0	13,480.5	(3,192.6)

Table 4. Skills Revenue Income Budgets 2020/21						
Skills Revenue Funding Streams	Nov Budget £'000	Nov Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Oct 2020 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Skills Advisory Panel Grant	(75.0)		(75.0)	(75.0)	(75.0)	-
Careers Enterprise Company Funding	(124.9)		(124.9)	(34.9)	(124.9)	-
Adult Education Budget	(12,084.1)	-	(12,084.1)	(12,762.2)	(12,762.2)	(678.2)
Apprenticeship Levy Fund Pooling	(86.2)		(86.2)	-	(86.2)	-
Total Skills Revenue Expenditure	(12,370.1)	-	(12,370.1)	(12,872.2)	(13,048.3)	(678.2)

<u>Table 5 Business & Skills Capital Projects</u>	FY 20-21 Project Budget	Actual April 20	Actual May 20	Actual June 20	Actual July 20	Actual Aug 20	Actual Sept 20	Actual Oct 20	Forecast Nov 20	Forecast Dec 20	Forecast Jan 21	Forecast Feb 21	Forecast Mar 21	FY 20/21 Total Spent / Forecast	FY 20/21 Balance Remaining
COVID-19 Micro Grants	£ 500,000	£ -	£ 14,359	£ 246,659	£ 131,065	£ 32,719	£ 41,092	£ 10,154	£ 11,049	£ 12,903	£ -	£ -	£ -	£ 500,000	£ -
LGF Projects	£ 72,187,755	£ 513,678	£ 1,724,658	£ 7,584,547	£ 2,881,509	£ 1,309,103	£ 756,759	£ 1,465,163	£ 6,839,562	£ 17,106,815	£ 9,690,438	£ 12,896,219	£ 9,395,743	£ 72,164,194	-£ 23,561
Market Town Master Plan Implementation	£ 500,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	-£ 500,000
Market Town Master Plan Implementation (Subject to Approval)	£ 5,000,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	-£ 5,000,000
Peterborough University - Capital	£ 12,300,000	£ -	£ 112,349	£ 154,447	£ 175,712	£ 97,135	£ 45,757	£ 80,020	£ 75,000	£ -	£ -	£ -	£ 11,559,580	£ 12,300,000	£ -
St Neots Masterplan	£ 2,886,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	-£ 2,886,000
Grand Total	£ 93,373,755	£ 513,678	£ 1,851,366	£ 7,985,653	£ 3,188,286	£ 1,438,957	£ 843,608	£ 1,555,337	£ 6,925,611	£ 17,119,718	£ 9,690,438	£ 12,896,219	£ 20,955,323	£ 84,964,194	-£ 8,409,561

<u>Table 6 Business & Skills Capital Income</u>	FY 20-21 Project Budget	Actual April 20	Actual May 20	Actual June 20	Actual July 20	Actual Aug 20	Actual Sept 20	Actual Oct 20	Forecast Nov 20	Forecast Dec 20	Forecast Jan 21	Forecast Feb 21	Forecast Mar 21	FY 20/21 Total Spent / Forecast	FY 20/21 Balance Remaining
Local Growth Fund	-£ 11,912,546	£ -	£ -	£ -	£ -	£ -	£ -	-£ 11,912,546	£ -	£ -	£ -	£ -	£ -	-£ 11,912,546	£ -
Getting Building Fund	-£ 7,300,000	£ -	£ -	£ -	£ -	£ -	-£ 7,300,000	£ -	£ -		£ -	£ -	£ -	-£ 7,300,000	£ -
Recycled Growth Funds Capital	-£ 169,050	£ -	£ -	-£ 5,000	-£ 5,000	-£ 5,000	-£ 5,000	£ -	-£ 5,000	-£ 62,500	-£ 7,000	-£ 7,000	-£ 67,550	-£ 169,050	£ -
Grand Total	-£ 19,381,596	£ -	£ -	-£ 5,000	-£ 5,000	-£ 5,000	-£ 7,305,000	-£ 11,912,546	-£ 5,000	-£ 62,500	-£ 7,000	-£ 7,000	-£ 67,550	-£ 19,381,596	£ -

Local Growth Fund Programme Management Review - January 2021

To:	Business Board
Meeting Date:	12 January 2021
Public report:	Yes
Lead Member:	Austen Adams, Chair of the Business Board
From:	John T Hill, Director Business and Skills
Key decision:	Key Decision for Combined Authority Board on 27 th January 2021
Forward Plan ref:	2020/077
Recommendations:	<p>The Business Board is asked to</p> <ul style="list-style-type: none">a) Note the funding position and forecast for Local Growth Fund Programme including the projects completed and in delivery;b) Recommend that the Combined Authority Board approve the project change request for Cambridge Medipark Ltd Biomedical Multi-occupancy building project; andc) Recommend that the Combined Authority Board note all the programme updates outlined in this paper.

1. Purpose

- 1.1 The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive Growth Deals with Government between 2014 and 2017, securing £146.7m to deliver new homes, jobs and skills across the LEP area. This report provides an update on the programme's performance since April 2015 for the Local Growth Fund (LGF).
- 1.2 This paper provides the Board with operational updates on the LGF progress to 1st December 2020 based on the following items:
 - (a) Financial update on programme spend and project spend forecast
 - (b) Projects currently in delivery including pre-contract plus completed projects
 - (c) Q2 2020/21 Quarterly Growth Deal return to MCHLG
 - (d) COVID Business Capital Grant
 - (e) Eastern Agri-Tech Growth Initiative update
 - (f) LGF Monitoring and Evaluation update
 - (g) LGF Projects and Recycled funds financial update
 - (h) Getting Building Fund (GBF) update

2. Background

- 2.1 The Local Growth Funds must be spent by 31 March 2021 but programme outcomes can be delivered beyond 2021. Local Growth Funds can provide Grants, Loans or other forms of funding such as Equity Capital Investment.
- 2.2 In addition to the Local Growth Funding there is recycled funding as a result of the Growing Places Loan Fund successfully lent and repaid during the programme which has established a recyclable pot of grants and loans for projects delivering economic benefit across the region, this pot has no spend deadline.

3. Local Growth Fund Programme Spend Position

- 3.1 After Approval of Cambridge Visitor Welcome project and the allocation of funding to the Business Growth Capital Grants Scheme at Board meeting in November, the £146.7 million of LGF is currently fully allocated.
- 3.2 The total programme expenditure to the 1st December 2020 including completed projects is £93,077,664. This is the total actually paid out to projects and runs well behind the combined project approval/allocation figure.
- 3.3 The current forecast for planned spend for all individual projects is shown in Appendix 1 profiled as of 1st December 2020.

4. Local Growth Fund Programme Delivery

- 4.1 On 1st December 2020, the Combined Authority's Local Growth Fund programme had 24

projects in delivery, listed in the table below:

Local Growth Fund Projects in Delivery			
Project Name	Start Date	Financial End Date	Monitoring End Date
Whittlesey Access Phase 1 King's Dyke Crossing	01/07/2016	30/04/2020	30/06/2021
Wisbech Access Strategy	01/05/2015	30/08/2020	31/03/2026
Lancaster Way Phase 2 Grant	30/12/2017	31/07/2020	31/03/2025
NIAB - AgriTech Start Up	02/02/2020	31/01/2021	31/03/2030
NIAB - Hasse Fen Extension	01/03/2020	31/03/2021	02/03/2025
TWI - Innovation Network Ecosystem	14/05/2020	31/03/2021	30/06/2023
Illumina Accelerator Global Expansion	14/05/2020	31/03/2021	31/12/2025
3D Centre of Excellence	10/03/2020	30/06/2021	30/04/2024
Start Codon - Healthcare & Life Science Accelerator	06/07/2020	31/03/2021	31/03/2029
West Cambridge Innovation Park	03/07/2020	TBC	31/12/2022
Agri-Tech Growth Initiative	01/08/2015	30/04/2021	31/03/2025
COVID-19 Capital Growth Grant Scheme	14/10/2019	30/04/2021	31/03/2024
AEB Innovation Scheme	01/07/2020	31/07/2021	31/03/2023
Skills & Training Space Expansion	12/06/2020	30/04/2021	31/03/2022
Medtech Accelerator	30/10/2016	30/09/2017	31/03/2026
TTP Life Science Incubator	06/08/2020	30/04/2021	31/03/2025
Advanced Manufacturing Innovation Launchpad - Chatteris	13/08/2020	31/07/2021	31/10/2030
Ascendal New Technology Accelerator	14/10/2020	31/01/2021	31/03/2024
CRC Construction Hub	15/09/2020	30/04/2021	01/04/2023
Cambridge Biomedical Campus - Multi Occupancy Building	04/08/2020	TBC	31/03/2023
South Fens Enterprise Park Phase 3	08/12/2020	31/01/2021	31/12/2027
Cambridge Visitor Welcome Project	07/12/2020	30/06/2021	31/03/2023
Peterborough City Centre - Regeneration	04/12/2020	31/10/2021	31/10/2023
Smart Manufacturing Association	07/12/2020	31/01/2021	31/03/2025

- 4.2 The LGF team have received a project change request from Cambridge Medipark Ltd, which has been reviewed by the Director of Business & Skills and the Business Board's Section 73 Officer. The project is the construction of a Biomedical Multi-Occupancy Building and they have requested an extension to their funding period from March 2021 to June 2021 due to the meeting of the planning authority being delayed from December 2020 to January 2021.

While this request will extend the final project spend beyond the March 2021 LGF endpoint, the alternative is to defund an in-progress project due to a project delay outside their control and with little to no chance of the funding being re-allocated and spent before the LGF endpoint which would not be proportionate nor value for money. As such, per advice from BEIS, the CPCA will use its funding flexibilities to ensure there is no impact on the wider LGF programme while granting this extension.

The Business Board is asked to recommend that the Combined Authority Board approve the project change request for Cambridge Medipark Ltd. The project change request form is attached at Appendix 2.

- 4.3 There were 3 projects approved for funding by the Business Board which are in contract/funding agreement negotiation pre-commencement of delivery with a total value of £18.9million (see table below).

Local Growth Fund Projects to Contract			
Project Name	Start Date	Financial End Date	Monitoring End Date
University of Peterborough	TBC	31/03/2021	31/03/2027
Business Growth Service	TBC	31/03/2021	31/03/2030
Cambridge Automated Metro Innovation Body	TBC	31/03/2021	31/03/2024

- 4.3 After the approvals at last Combined Authority Board there was no LGF remaining to be allocated.
- 4.4. There are 22 completed Local Growth Fund projects (see table below) subject to evaluation over the coming months as part of the Local Growth Funding Monitoring & Evaluation plan which will be reported to Business Board.

Local Growth Fund Projects Completed		
Project Name	Start Date	End Date
Ely Southern Bypass	01/10/2016	01/06/2018
Bourges Boulevard Phase 1	04/01/2014	31/07/2015
Bourges Boulevard Phase 2	01/03/2016	31/03/2019
A47/A15 Junction 20	01/03/2016	31/03/2017
TWI (The Welding Institute) Expansion	01/09/2015	31/10/2016
Technical and Vocational Centre, Alconbury Weald	01/05/2015	31/03/2018
Cambridge Biomedical Innovation Centre	01/12/2015	31/10/2016
Peterborough Regional College Food Mfg Centre	07/01/2015	31/07/2016
Growing Places Fund Extension	07/08/2015	31/03/2019
<i>Highways Academy</i>	<i>01/03/2015</i>	<i>31/05/2016</i>
CITB Construction Academy	10/01/2016	29/10/2017
EZ Plant Centre Alconbury	01/01/2016	31/03/2016
Signpost to Grant	01/02/2016	31/03/2019
Lancaster Way Phase 1 Loan	01/12/2016	31/03/2021
Lancaster way Phase 2 Loan	31/01/2017	31/03/2021
Manea & Whittlesea Stations	31/01/2017	31/03/2021
Terraview Loan	01/12/2018	30/04/2019
Soham Station	04/07/2019	01/07/2020
Haverhill Epicentre	01/07/2019	01/07/2020
Advanced Manufacturing Facility - Living Cell	26/03/2020	31/05/2020
Aerotron CAPEX Relocation Project	01/04/2020	01/06/2020
Hauxton House Incubator Development	15/07/2019	30/06/2020

5. Growth Deal Monitoring Return Q3 2020/21

- 5.1 The Business Board is required to submit formal monitoring returns to Government on Growth Deal performance and forecasts on a quarterly basis.
- 5.2. The return for Q3 2020/21 is being prepared by LGF Officers ready for submission and was not completed in time for this Business Board meeting as the Quarter spend was up to and

including 31st December 2020 which is after publication of this paper. This completed return will be added to LGF review paper in March 2021. Attached at Appendix 3 is the return for Q2 2020/21.

- 5.3. The LGF team has however been compiling and updating an Issue Log for all projects live in delivery or in pre-contract negotiation. This is being shared regularly with MHCLG and BEIS colleagues to appraise the situation regarding COVID upon LGF delivery. Please note at Appendix 4 the LGF Project Delivery Issue Log with most recent update added.
- 5.4. The Project shown in amber has some minor delay in delivery but through the monthly monitoring and management of the actions this project should achieve delivery of the LGF element by end date. There are currently no projects red-flagged as at end of Qtr 2 30 September 2020.

Project RAG Ratings					
Project Name	Prev Qtr Q2_2021	This Qtr Q3_2021	Project Name	Prev Qtr Q2_2021	This Qtr Q3_2021
Whittlesey Access Phase 1 King's Dyke Crossing	G	G	The Growth Service	-	-
Ely Southern Bypass	G	G	NIAB - Hasse Fen Extension	G	G
Bourges Boulevard Phase 1	G	G	TWI - Innovation Network Ecosystem	G	G
Bourges Boulevard Phase 2	G	G	Illumina Accelerator Global Expansion	G	G
A47/A15 Junction 20	G	G	Advanced Manufacturing Facility - Living Cell	G	G
Wisbech Access Strategy	AG	AG	Cambridge Northern Fringe - Sci Tech Container Village	N/A	N/A
TWI (The Welding Institute) Expansion	G	G	LGF Topslice	G	G
Technical and Vocational Centre, Alconbury Weald	G	G	Ascendal New Technology Accelerator	G	G
Agri-Tech Growth Initiative	G	G	3D Centre of Excellence	G	G
Cambridge Biomedical Innovation Centre	G	G	Aerotron CAPEX Relocation Project	G	G
Haverhill Innovation Centre	N/A	N/A	Start Codon - Healthcare & Life Science Accelerator	G	G
Peterborough Regional College Food Mfg Centre	G	G	Advanced Manufacturing Innovation Launchpad - Chatterton	G	G
Growing Places Fund Extension	G	G	Smart Manufacturing Association	G	G
Highways Academy	G	G	Cambridge Biomedical Campus - Multi Occupancy Building	G	G
CITB Construction Academy	G	G	TTP Life Science Incubator	G	G
EZ Plant Centre Alconbury	G	G	Wisbech Construction Careers Hub	N/A	N/A
Signpost to Grant	G	G	University of Peterborough	G	G
Medtech Accelerator	G	G	South Fens Enterprise Park Phase 3	G	G
Lancaster Way Phase 1 Loan	G	G	Skills & Training Space Expansion	G	G
Lancaster way Phase 2 Loan	G	G	Brampton Hub - Mobility, Fuels & Logistics Launchpad	G	N/A
Lancaster way Phase 2 Grant	G	G	West Cambridge Innovation Park	G	G
Manea & Whittlesea Stations	G	G	AEB Innovation Scheme	G	G
M11 J8	N/A	N/A	CAM Promoter Body	G	G
Terraviva Loan	G	G	CRC Construction Hub	G	G
Soham Station	G	G	Peterborough City Centre - COVID Recovery	G	G
Haverhill Epicentre	G	G	Cambridge Visitor Welcome 2021	G	G
Forecast	N/A	N/A	-	-	-
COVID-19 Capital Growth Grant Scheme	G	G	-	-	-
Hauxton House Incubator Development	G	G	-	-	-
NIAB - AgriTech Start Up	G	G	-	-	-

6. COVID Business Capital Grants Programme

- 6.1 The COVID Capital Grant scheme run during summer 2020 was closed to new applications in June and the £5.5million awarded through grant offers has been and is still being drawn down by invoice evidence claims from the businesses.
- 6.2 The claims value paid out so far equals: £3,441,375 and 79 companies have completed their projects and claimed their grant.

- 6.3 The Business Board gave due consideration at its November Board meeting to a restart continuation of the COVID scheme and it was recommended to and approved by the Combined Authority, that a further allocation of £2,043,178 be made into the Growth Capital Grants strand of the new Business Growth Service as a successor to the previous scheme but through the Business Growth Service criteria. The additional funding and outputs have been negotiated with the Business Growth Service Contractor and they will be commencing mobilisation of the delivery of the revised total of £5 million funding for Capital Growth Grants when the contract is signed. Progress on delivery of these grants will be reported to the Business Board through the Business Growth Service updates.

7. Eastern Agri-Tech Growth Initiative Update

- 7.1 The Eastern Agri-Tech Growth Initiative has funded a total of 88 projects since the Growth Deal/Local Growth Fund invested through this programme. Since the last update for the BB, the Eastern Agri-Tech Programme Board has met 3 times (via the Zoom platform) and at these meetings considered 9 applications for grant support. 7 were approved and 2 rejected.
- 7.2 In addition the Programme Board deferred a decision on another R&D proposal, pending further information and clarification from the applicant about the project.
- 7.3 Of the 7 successful applicants, 2 were R&D projects and 5 were Growth/CAPEX projects. A total of £561,081 has been awarded to the 7 businesses. The 2 unsuccessful applications were R&D proposals. There are 5 applications currently being appraised with a total grant value of £296,050; 3 are R&D project proposals and 2 are Growth/CAPEX. If they pass their appraisal, they will be considered by the Agri-Tech Programme Board.
- 7.4 Martin Lutman, Programme Manager, has arranged the expected final two (Zoom) meetings of the Agri-Tech Programme Board to take place in December to consider the final batch of applications and take decisions about whether to support the projects. If all are successful, the budget for the Eastern Agri-Tech Growth Initiative would have been committed.
- 7.5 Martin is not expecting any further applications and the focus will then be to ensure that all of the successful applicants deliver their projects and claim/receive their grant funding by 31 March 2021.

8. LGF Monitoring and Evaluation Update

- 8.1 The Monitoring of all live projects in delivery is conducted by the Local Growth Fund team on a monthly and quarterly basis. The Business Board is asked to note the latest updated Monitoring report at Appendix 5 for all projects both completed and live.
- 8.2 Metro Dynamics and their specialists Ekosgen are contracted to support the evaluation of the completed LGF projects. The initial evaluation paper produced by Ekosgen on the closed projects awarded historically under the Greater Cambridge Greater Peterborough Local Enterprise Partnership tenure has been submitted to the LGF Team, upon review it was decided further work is still required and the contractors are continuing that work.

- 8.3 The draft summary report will be provided to Business Board members once final redrafting work has been completed, this will be done by email circulation and, if required, a presentation will be given by the contractors to the Business Board on the findings. A copy of the final report will be included with the LGF update paper at the Business Board meeting in March, and will also be put onto the Growth Funds page of the Combined Authority website.

9. Recycled Growth Funds and Future Funds Update

- 9.1 The tables in Appendix 6 summarise the current income and committed expenditure so far against the funds which have previously been awarded out as loans through the historic Growing Places Fund or, more recently, the Local Growth Fund. In the short term the recycled funds have already been committed to projects by the Business Board, predominantly the Business Growth Service including the Capital Growth Grants, Relocation Grants and Equity Investment pot. From 2023-24 both capital and revenue funding begins to accrue with a total of c. £4m capital and £1.3m revenue over the next 15-20 years.
- 9.2 This is a step-change in the funds available to the Business Board when compared with the Local Growth Funding which is coming to an end in March 2021. The Government have announced the UK Shared Prosperity Fund to replace EU funds with a prospectus due in spring 2021 however it is not currently confirmed whether these funds will be devolved to LEPs, or Combined Authorities, or whether it will be centralised in Whitehall and awarded on a project-by-project basis.
- 9.3 The Government have also announced a Levelling-up fund for 2021-22 with a prospectus due in January. This fund is expected to have a cap of £20m grant support per project, to be centrally allocated on a project-by-project basis and awarded based to applications against the prospectus.

10. Getting Building Funding Update

- 10.1 The Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre project has been mobilised since approval and the Project team have been working to complete the business case for the joint venture property company in order to meet the funding conditions set out in the Mayoral Decision Notice dated 5th November 2020.
- 10.2 The Joint venture property company incorporation is done and the subsequent Shareholder Agreement is being prepared as noted in a separate paper to this Board.
- 10.3 The project has commenced detailed design works, preparations for planning, procurement of building contractor and drawing up the specification to prepare for the commencement of procurement for the centre management operator.
- 10.4 The project also includes the delivery of supporting car parking infrastructure led by Peterborough City Council and the project plan for that Car Parking infrastructure is currently being finalised so that Peterborough City Council can then be issued with a Grant Funding Agreement.

Significant Implications

11. Financial Implications

11.1 There are no financial implications beyond those identified in the report.

12. Legal Implications

12.1 The Business Board is responsible for programme direction of Growth Funds. The Combined Authority, as the Accountable Body, maintains the legal agreements with project delivery bodies. Project change requests, of this nature must be approved by the CPCA.

13. Other Significant Implications

13.1 None.

14. Appendices

14.1 Appendix 1 – LGF Projects Forecast Spend (December 2020)

14.2 Appendix 2 – Project Change Request Forms (Cambridge Medipark Ltd)

14.3 Appendix 3 – Return for Quarter 2 2020/2021

14.4 Appendix 4 – LGF Project Delivery Issue Log

14.5 Appendix 5 – LGF Projects Monitoring Report (November 2020)

14.6 Appendix 6 – Recycled Funds Profile and Budget Update (December 2020)

15. Background Papers

It is a legal requirement to list details of any supporting or background documents which have been relied upon to a material extent when preparing the report which are not confidential and where these can be viewed. Democratic Services can help if you are unsure of what to include. Source documents are open for inspection by the public and must be retained for a period of 4 years (by the report author's records section) from the date of the meeting. Where the document is held electronically, please provide a web link(s) if appropriate.

15.1 Local Growth Fund Documents, Investment Prospectus, guidance and application forms, <https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/>

15.2 Eastern Agri-tech Growth initiative guidance and application forms, <https://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/>

- 15.3 List of funded projects and MHCLG monitoring returns,
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/>
- 15.4 Local Industrial Strategy and associated sector strategies,
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/>
- 15.5 COVID Business Capital Grant Scheme,
<https://capitalgrantscheme.co.uk/>

Table 2 LGF Capital Projects	FY 20-21 Project Budget	Actual April 20	Actual May 20	Actual June 20	Actual July 20	Actual Aug 20	Actual Sept 20	Actual Oct 20	Forecast Nov 20	Forecast Dec 20	Forecast Jan 21	Forecast Feb 21	Forecast Mar 21	FY 20/21 Total Spent / Forecast	FY 20/21 Balance Remaining
Advanced Manufacturing (Metalcraft)	£ 3,160,000	£ -	£ -	£ -	£ -	£ -	£ 25,158	£ 4,470	£ 67,109	£ 650,000	£ 850,000	£ 830,157	£ 733,106	£ 3,160,000	-£ 0
AEB Innovation Fund	£ 323,700	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 81,000	£ 81,000	£ 81,000	£ 80,700	£ 323,700	£ -
Aerotron Relocation	£ 847,473	£ -	£ 847,473	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 847,473	£ -
Ascendal	£ 965,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 965,000	£ -	£ -	£ -	£ 965,000	£ -
CAM Promoter Body	£ 995,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 995,000	£ -	£ -	£ -	£ 995,000	£ -
Cambridge Biomedical MO Building	£ 3,000,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,000,000	£ 500,000	£ 500,000	£1,000,000	£ 3,000,000	£ -
Cambridge City Centre	£ 710,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 250,000	£ 230,000	£ 230,000	£ 710,000	£ -
Capital Growth Grant Scheme	£ 2,993,935	£ 15,537	£ 1,116	£ 14,063	£ 83,593	£ 10,889	£124,454	£ 64,437	£ 12,653	£ 176,383	£ -	£ -	£ -	£ 503,125	£2,490,810
COVID-19 Capital Grant Scheme	£ 3,000,000	£ -	£ 309,748	£ 673,722	£ 760,957	£ 331,782	£440,809	£ 570,360	£ 353,997	£ 549,435	£ 500,000	£ 500,000	£ 500,000	£ 5,490,810	-£2,490,810
CPCA Growth Service	£ 5,407,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 5,407,000	£ -	£ -	£ -	£ 5,407,000	£ -
CPCA Growth Co Grant Investment	£ 2,043,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£2,043,000	£ -	£ -	£ 2,043,000	£ -
CRC Construction & Digital Refurbishment	£ 2,500,000								£ 500,000	£ 500,000	£ 500,000	£ 500,000	£ 500,000	£ 2,500,000	£ -
Eastern Agritech Initiative	£ 1,595,800	£ 5,255	£ 29,372	£ 5,137	£ 5,897	£ 1,633	£ 11,633	£ 12,018	£ 120,763	£ 243,641	£ 348,627	£ 429,637	£ 382,188	£ 1,595,800	£ -
Hauxton House - Grant	£ 215,790	£ -	£ 137,583	£ 62,910	£ 15,297		£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 215,790	£ -
Haverhill Epicentre	£ 1,162,858	£492,886	£ 386,151	£ 283,721	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,162,758	£ 100
Illumina Accelerator Global Expansion	£ 1,000,000	£ -	£ -	£ -	£ 200,000	£ -	£ -	£ -	£ -	£ -	£ 500,000	£ -	£ -	£ 700,000	£ 300,000
King's Dyke Crossing	£ 299,092	£ -	£ -	£ 299,092	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 299,092	£ -
Lancaster Way Phase 2	£ 863,484	£ -	£ -	£ -	£ 863,484	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 863,484	£ -
March Adult Education	£ 400,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 50,000	£ 75,000	£ 100,000	£ 100,000	£ 75,000	£ 400,000	£ -
NIAB - R&D	£ 2,442,195	£ -	£ 39,572	£ 175,005	£ 101,910	£ 315,458	£160,428	£ 375,957	£ 274,043	£ 266,632	£ 733,190	£ -	£ -	£ 2,442,195	£ -
NIAB - Waste	£ 599,850	£ -	£ -	£ -	£ 22,302	£ 244,435	£ -	£ -	£ 100,000	£ 100,000	£ 33,113	£ 100,000	£ -	£ 599,850	£ -
Peterborough Coity Centre	£ 800,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 300,000	£ 300,000	£ 200,000	£ 800,000	£ -
Photocentric	£ 1,875,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 950,000	£ 925,000	£ -	£ -	£ 1,875,000	£ -
Smart Manufacturing Association	£ 715,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 715,000	£ 715,000	£ -
Soham Station	£ 885,836	£ -	£ -	£ -	£ 207,174	£ 678,662	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 885,836	£ -
South Fen Business Park	£ 997,032	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 997,032	£ -	£ -	£ -	£ -	£ 997,032	£ -
Start Codon	£ 3,342,250	£ -	£ -	£ -	£ 640,090	£ -	£ -	£ -	£ -	£ 2,702,160	£ -	£ -	£ -	£ 3,342,250	£ -
TTP Incubator	£ 2,300,000	£ -	£ -	£ -	£ -	£ -	£ -	£1,004,642	£ 327,337	£ 500,000	£ 468,021	£ -	£ -	£ 2,300,000	£ -
TWI	£ 1,230,000	£ -	£ -	£ 6,690	£ 7,106	£ 6,455	£ -	£ 3,639	£ 40,000	£ 250,000	£ 300,000	£ 336,361	£ 279,749	£ 1,230,000	£ -
University of Peterborough	£12,500,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£3,000,000	£ -	£ -	£ 6,500,000	£3,000,000	£12,500,000	£ -
West Cambs Innovation Park	£ 3,000,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,500,000	£1,500,000	£ 3,000,000	£ -
Wisbech Access Strategy	£ 5,723,461	£ -	£ -	£6,000,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 6,000,000	-£ 276,539
CRC Construction & Digital Refurbishment	£ 2,500,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 500,000	£ 500,000	£ 500,000	£ 500,000	£ 500,000	£ 2,500,000	£ -
Peterborough City Centre	£ 800,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 300,000	£ 300,000	£ 200,000	£ 800,000	£ -
CAM Promoter Body	£ 995,000	£ -	£ -	£ -	£ -		£ -	£ -	£ -	£ 995,000	£ -	£ -	£ -	£ 995,000	£ -
Grand Total	£72,187,755	£513,678	£1,751,015	£7,520,339	£2,907,810	£1,589,314	£762,482	£2,035,523	£6,342,935	£16,906,250	£9,231,951	£12,707,155	£9,895,743	£70,369,194	£ 23,561

Project Change Request Form

This document should be used to seek approval to change one or more of the agreed parameters of the project e.g. budget, deadlines.

It can also be used for changes that have already happened or that are already within planned work that will mean the project falls outside of the agreed tolerances ("slippage"). For example, if additional or reduced finances is required, a change request should be completed.

The Change Request will be considered in line with the agreed parameters and delegations and may need to be referred to the Combined Authority Board, depending on the level of change being requested. The change should not be implemented until Project Board/CPCA approval is obtained.

Please ensure a copy Project Change Request form is saved down in the project folder on SharePoint and that changes are recorded on the project highlight reports.

Details of change request	
Project Name	Date of change request
1000 Discovery Drive Cambridge Biomedical Campus – multi-let lab/office SME development	10 Dec 2020
Project Manager	Project Director
Andrew Blevins/Mathew Reeve	Andrew Blevins/Mathew Reeve
Background	
The developer has secured grant funding subject to securing RM planning consent for the development and an acceptable contractor price. Developer controls the land. Planning Committee was originally due in December 2020 as first milestone to start drawing the grant.	
Reason for change	
<p>Committees date for consideration of the planning is now moved to January 20th 2021 because new regulations requires this Cambridge City scheme to be considered by the new Joint Area Planning Committee.</p> <p>We need an extension to enable first drawdown of grant funding to be in January 2021 but the balance of grant will over-run by being claimed beyond 31 March 2021.</p> <p>We will have full clarity that our scheme will be approved after being considered at this scheduled planning meeting.</p> <p>Project expenditure on design and planning works has already been incurred and We will draw down the first claim for that tranche of expenditure during the week commencing 4th January 2021, the balance of the core LGF funds will be claimed after planning enables main works to commence.</p> <p>The new regulations and congestion in the system because of Covid-19 has introduced previously unforeseen timing delays. The drawing of remaining grant will now likely run over 31 March 2021</p>	
Other options considered	
The development cannot commence without Reserved Matters approval. We have however continued to expend design fees to enable a prompt start on site and are about to issue a Pre-	

Qualification Questionnaire to contractors to fast-track the selection process for our preferred contractor.

Costs of implementing the change

We do not believe there will be any costs in implementing this change. The change is to cover unforeseen delays in the planning approval process.

Risk of implementing the change

The project risks by the delay of the planning committee create a shift of milestone for drawing the majority of the grant funding for the main works to conclude spending before 31 March 2021. The delay will be a month pushing delivery of completed building and delivery of first outputs back a month. All other project risks other than timing remain unchanged.

Decisions/approval for change

Business Board decision

Name of Director:	John T Hill, Director Business & Skills
Decision:	
Date of Decision:	

Growth Deal Dashboard

Appendix 3

LEP Name Greater Cambridge and Peterborough LEP

This Quarter: Q2_2021

Deliverables Progress

	This Quarter	15-17	17-18	18-19	19-20	20-21	21-22	Total
Housing								
Houses Completed	0	200	200	0	0	0	-	400
Forecast for year	870	200	200	628	868	870	7,309	10,075
Progress towards forecast	0%		100%	0%	0%	0%	-	4%
Jobs								
Jobs Created	0	61	461	861	559	0	-	1,942
Apprenticeships Created*	0	0	0	88	0	0	-	88
Jobs including Apprenticeships	0	61	461	949	559	0	-	2,030
Forecast for year	3,236	51	403	1,161	913	3,236	24,632	30,396
Progress towards forecast	0%		114%	82%	61%	0%	0%	7%
* Apprenticeships included within jobs totals prior to 2017								
Skills								
Area of new or improved floorspace (m2)	0	440	2,972	432	0	0	-	3,844
Forecast for year	0	440	2,380	0	0	0	7,544	10,364
Progress towards forecast	-		125%	-	-	-	-	37%
Number of New Learners Assisted	0	0	1,198	131	129	0	-	1,458
Forecast for year	462	0	125	181	179	462	410	1,357
Progress towards forecast	0%		958%	72%	72%	0%	-	107%
Transport								
Length of Road Resurfaced	0.0	0.0	6.0	10.0	0.0	0.0	-	16.0
Length of Newly Built Road	0.0	0.0	1.0	4.2	0.0	0.0	-	5.2
Length New Cycle Ways	0.0	0.0	2.5	17.0	0.0	0.0	-	19.5

Project RAG Ratings

Project Name	Prev Qtr Q1_2021	This Qtr Q2_2021	Project Name	Prev Qtr Q1_2021	This Qtr Q2_2021
Whittlesey Access Phase 1 King's Dyke Crossing	G	G	The Growth Service	-	-
Ely Southern Bypass	G	G	NIAB - Hasse Fen Extension	G	G
Bourges Boulevard Phase 1	G	G	TWI - Innovation Network Ecosystem	G	G
Bourges Boulevard Phase 2	G	G	Ilumina Accelerator Global Expansion	G	G
A47/A15 Junction 20	AG	AG	Advanced Manufacturing Facility - Living Cell	G	G
Wisbech Access Strategy	G	G	Cambridge Northern Fringe - Sci Tech Container Village	N/A	N/A
TWI (The Welding Institute) Expansion	G	G	LGF Topside	AG	G
Technical and Vocational Centre, Alconbury Weald	G	G	Ascendal New Technology Accelerator	AG	G
Agri-Tech Growth Initiative	G	G	3D Centre of Excellence	G	G
Cambridge Biomedical Innovation Centre	G	G	Aerotron CAPEX Relocation Project	G	G
Haverhill Innovation Centre	N/A	N/A	Start Codon - Healthcare & Life Science Accelerator	AG	G
Peterborough Regional College Food Mfg Centre	G	G	Advanced Manufacturing Innovation Launchpad - Chatteris	G	G
Growing Places Fund Extension	G	G	Smart Manufacturing Association	AG	G
Highways Academy	G	G	Cambridge Biomedical Campus - Multi Occupancy Building	AG	G
CITB Construction Academy	G	G	TTP Life Science Incubator	AG	G
EZ Plant Centre Alconbury	G	G	Wisbech Construction Careers Hub	N/A	N/A
Slapton to Grant	G	G	University of Peterborough	G	G
Medtech Accelerator	G	G	South Fens Enterprise Park Phase 3	AG	G
Lancaster Way Phase 1 Loan	G	G	Skills & Training Space Expansion	G	G
Lancaster way Phase 2 Loan	G	G	Brampton Hub - Mobility, Fuels & Logistics Launchpad	AG	G
Lancaster way Phase 2 Grant	AG	G	West Cambridge Innovation Park	AG	G
Manea & Whittlesea Stations	G	G	AEB Innovation Scheme	G	G
M11 J8	N/A	N/A	CAM Promoter Body	N/A	N/A
Terraviva Loan	G	G	CRC Construction Hub	N/A	N/A
Soham Station	G	G	Peterborough City Centre - COVID Recovery	N/A	G
Haverhill Epicentre	G	G	Cambridge Visitor Welcome 2021	N/A	G
Forecast	N/A	N/A	-	-	-
COVID-19 Capital Growth Grant Scheme	G	G	-	-	-
Hauxton House Incubator Development	G	G	-	-	-
NIAB - AgriTech Start Up	G	G	-	-	-

Growth Deal Performance

G

Area lead comments

Financial Progress

LGF Award	2015-16 £21,100,000	2016-17 £33,625,463	17-18 £23,664,705	18-19 £16,705,458	19-20 £15,875,346	20-21 £35,737,637	Total £146,708,609
LGF Outturn							
Actual	£ 5,397,502	£ 25,849,968	£ 13,100,800	£ 19,297,072	£ 919,521	£ 17,646,603	£ 76,813,964
Forecast for year	£ 82,312,472	£ 26,782,975	£ 19,128,160	£ 9,738,834	£ 8,746,168	£ 82,312,472	£ 146,708,609
Progress towards forecast	7%		68%	198%	11%	21%	52%
LGF Expenditure							
Actual	£ 5,073,802	£ 25,849,968	£ 13,100,800	£ 16,876,608	£ 4,722,079	£ 14,576,125	£ 75,125,580
Forecast for year	£ 72,478,850	£ 25,849,968	£ 34,251,579	£ 9,729,834	£ 4,398,378	£ 72,478,850	£ 146,708,609
Progress towards forecast	7%		38%	173%	107%	20%	51%
Non-LGF Expenditure							
Actual	£ -	£ 11,050,401	£ 22,676,132	£ 682,302	£ -	£ 847,473	£ 35,256,308
Forecast for year	£ 59,469,790	£ 10,941,645	£ 6,627,615	£ 7,320,385	£ 21,442,000	£ 59,469,790	£ 105,801,435
Progress towards forecast	0%		342%	9%	0%	1%	33%
Total LGF + non-LGF Expenditure							
Actual	£ 5,073,802	£ 36,900,369	£ 35,776,932	£ 17,558,910	£ 4,722,079	£ 15,423,598	£ 110,381,888
Forecast for year	£ 131,948,640	£ 46,147,033	£ 40,879,194	£ 17,050,219	£ 25,840,378	£ 131,948,640	£ 261,865,464
Progress towards forecast	4%		+88%	+103%	+18%	+12%	42%

Contractual Commitments (manual entry)

	15-17	17-18	18-19	19-20	20-21	Total
Forecast	£ 36,150,465	£ 37,672,942	£ 8,732,797	£ 17,977,685	£ 46,174,720	£ 146,708,609
Actual	£ 34,979,061	£ 21,812,905	£ 18,899,250	£ 8,658,590	£ 14,576,850	£ 98,926,656
Variance	-3%	-42%	+116%	-52%	-68%	-33%

Commentary

As of September 2020 the LGF was making good progress on allocating and expending the remaining grant. We have a clear financial plan in place for all of the projects currently in contract and delivering, and are working with the organisations still to contract to ensure all contracts are in place and the maximum funds spent within the timeframe of LGF.

The outstanding contracts are predominantly joint ventures of shareholder type contracts which will enable to outturn of all funds quickly; current funds to be contracted:

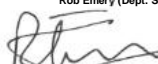
Equity Projects - £19,621,000 - 4 projects

Grants - £1,797,032 - 2 projects

The Equity Investment projects allow the CPCA to out turn funds as soon as the Companies are created and the Shareholder Agreements are executed, all of these arrangements are well underway and in some cases companies have been created, shareholder agreements are ready to be signed by partners.

We are working closely with funding recipients to ensure they are focused on delivery and, where possible, we are helping guide them around planning and procurement. We have had significant spend in October £1.5m and projected spend/out turn of £32.5m by Q3; this will be across all current projects

Section 151 Officer Approved

Name	Rob Emery (Dept. S73 Officer for CPCA)
Signature	
Date:	04/11/2020

LGF Project Name	Risk Status	Position	Status	17/08/2020	19/10/2020	30/11/2020
Medtech Accelerator - Health Enterprise East	GREEN	On-track	In Delivery	In Contract	In Contract - combined fund almost fully invested (£25k remaining)	Funding allocated through the accelerator - investment is starting to pay off
Illumina Genomics Accelerator - Illumina	GREEN	Delayed start	In Delivery	In Contract	In Contract	progressing well
Ascendal New Technology Accelerator	GREEN	Delayed start	In Delivery	Final Draft of Contracts in place awaiting meeting to agree - awaiting finance sign off of new share agreement	In Contract	In contract - first Board meeting taken place
Agri-Tech Growth Initiative - CPCA	GREEN	On-track	In Delivery	In Contract	Grant applications to allocate remaining funds being considered over November/December and payment of grants projected to be achieved before end of March 2021	Almost all allocated
Wisbech Access Strategy	AMBER	Delayed start	In Delivery	Change request approved at BB	Progress is slow but is progressing	Progressing but slow, some redesign has been required due to land purchase issues
Advanced Manufacturing Launchpad - Metalcraft	GREEN	Delayed start	In Delivery	In Contract	Procuring contractor and HE provider currently, changes to building allowing for quicker completion.	progressing well
NIAB - AgriTech Start Up Incubator	GREEN	On-track	In Delivery	In Contract	Progress is good, external structure completed	Progress on target
TWI Ecosystem Innovation centre - TWI	GREEN	Delayed start	In Delivery	In Contract	Works progressing well	Await completed Change Request Form explaining change in the outputs to enable them to spend all funds. Possible increase in size of floor.
NIAB - Agri-Gate Hasse Fen extension	GREEN	Possible delay	In Delivery	In Contract	Progress is good, external works progressing well	Shortfall in funding due to additional surveys, funding gap being investigated through other sources
CUHP - Cambridge Biomedical Campus Multi Occupancy Building	AMBER	Delayed start	In Delivery	In Contract	Reserved matters planning application submitted with decision due December 2020.	Awaits Reserves Matter Planning Application decision. This was initially scheduled for Dec 2020, but has now been moved to Jan 2021
3D Centre of Excellence Relocation - Photocentric	GREEN	On-track	In Delivery	In Contract	Change request approved at last BB, building purpose change to manufacturing hub	New site development underway
TTP Life Sciences Incubator	AMBER	Delayed start	In Delivery	In Contract	In Contract. Works progressing well. May complete project before proposed completed date	Work progressing well. May complete work before project proposed end date
March Adult Edu Centre Expansion - Cambridgeshire Skills	GREEN	Delayed start	In Delivery	In Contract	In Contract. Work progressing well and due to completed on in time.	Work progressing well and due to complete on time
West Cambridgeshire Innovation Park - Uni of Cambridge	AMBER	Delayed start	In Delivery	In Contract	In Contract. In talk about possible change in project site. Awaiting Project Change Request Form from applicant.	In Contract. In talk about possible change in project site. Awaiting Project Change Request Form from applicant.
Opportunity Peterborough - Smart Manufacturing Association	AMBER	Delayed start	Pre Contract	Awaiting Agreement from the Applicant- Due to be sent by 10th July	Awaiting Agreement from the Applicant- Due to be sent by 5th October	Agreement sent to Applicant for sign off.
The Growth Service - CPCA	GREEN	On-track	Pre Contract	Procurement ongoing	Procurement of consortia delivery partner almost concluded. Incorporation of the JV Growth Company completed with the shareholder agreement in final sign-off	Share Agreement still to be signed off

Lancaster way Phase 2 Grant	GREEN	On-track	In Delivery	In Contract	progressing well	progressing well
Cambridge Healthcare & Life Science Start-up Accelerator - Start Codon	GREEN	On-track	In Delivery	In Contract	In Contract- Progressing well	progressing well
University of Peterborough phase 1 - JV with PCC and ARU	GREEN	On-track	Pre Contract	Progressing	Progressing well - JV company has been incorporated and shareholders agreement in final sign-off stage	Share holder Agreement still to be signed off
South Fen Enterprise Park - Fenland District Council	AMBER	On-track	Pre Contract	Contract with FDC for final review	Contract with FDC to sign	Awaiting signed grant agreement back, they have appointed a PM to manage the development
Capital Growth Grant Scheme	GREEN	On-track	In Delivery	Monitoring and processing spend	Monitoring and processing spend	Monitoring progress
AEB Innovation Fund	GREEN	On-track	In Delivery		Fund launching Imminently	Fund launched and application received
Peterborough City Centre - COVID Recovery	GREEN	On-track	Pre Contract		Awaiting Grant Agreement from Applicant	
Cambridge Automated Metro	GREEN	On-track	Pre Contract	Awaiting contract docuemnts - being produced by Pinsent Mason	Awaiting contract docuemnts - being produced by Pinsent Mason	Shareholder Agreement outstanding
Cambridge Regional College - Construction Hub	GREEN	On-track	In Delivery		In contract and work has started	Excellent progress
PCC - Peterborough Build better back	GREEN	On-track	Pre Contract			GFA with applicant for sign off
CCC- Cambridge Visitor Welcome	GREEN	On-track	Pre Contract			Project just been ratified by the CA Board. HoT and GFA with applicant to complete and return.

LGF Project	Project Description	RAG status on actual jobs delivered Vs forecast	Primary Sector	Lead Organisation	Region Authority	LGF Amount	End of Project Monitoring	Direct Job Creation (Forecast)	Indirect Job Creation (Forecast)	TOTAL Job Creation (Forecast)	TOTAL Job Creation (Actual)
Accelerating Start-Ups, Scale-Ups & Set-Ups – Through Start-up & Growth Finance & Advice											
The Business Growth Service	GROWTH COACHING, EQUITY INVESTMENTS, SKILLS & FDI	Not Yet Started	All	CPCA	Huntingdonshire District Council	£5,407,000	2030	47	5892	5939	Pending
Illumina Genomics Accelerator	START-UP TECH ACCERATOR EQUITY INVESTMENTS		Life Science	Illumina Cambridge Ltd	South Cambridgeshire District Council	£1,000,000	2030	1033	0	1033	Pending
Startcodon Life Science Accelerator	START-UP TECH ACCERATOR EQUITY INVESTMENTS		Life Science	Start Codon Ltd	South Cambridgeshire District Council	£3,342,250	2030	1572	3144	4716	Pending
Ascendal Transport Accelerator	START-UP TECH ACCERATOR EQUITY INVESTMENTS		Transport	Ascendal Ltd	South Cambridgeshire District Council	£965,000	2024	2	200	202	Pending
Medtech Accelerator	START-UP TECH ACCERATOR EQUITY INVESTMENTS		Life Science	Health Enterprise East	South Cambridgeshire District Council	£500,000	2026	0	0	0	0
Peterborough & Fens Smart Manufacturing Association	EQUITY INVESTMENT IN START-UP BUSINESS NETWORK	Not Yet Started	Business Growth	Opportunity Peterborough	Peterborough City Council	£715,000	2025	143	242	385	Pending
Terraviva Company Expansion	GROWTH GRANT		Advanced Manufacturing	Terraviva	South Cambridgeshire District Council	£120,000	2023	15	0	15	Pending
Aerotron Company Expansion	GROWTH GRANT		Advanced Manufacturing	Aerotron Ltd	Fenland District Council	£1,400,000	2025	120	15	135	16
Agri-Tech Growth Initiative	GROWTH GRANTS		AgriTech	CPCA	CPCA Wide projects	£3,036,252	2025	300	0	300	260
Growing Places Fund Extension	GROWTH GRANTS		All	CPCA	CPCA Wide projects	£65,000	Pending	320	0	320	520
Signpost to Grant - CPCA Growth Hub	GROWTH GRANTS		All	CPCA	CPCA Wide projects	£120,000	2017	Not available	Not available	Not available	Not available
COVID Capital Growth Grant Scheme	GROWTH GRANTS		All	CPCA	CPCA Wide projects	£3,000,000	2024	287	0	287	Pending
Peterborough Builds Back Better	GROWTH GRANTS	Not Yet Started	All	Peterborough City Council	Peterborough City Council	£800,000	2023	100	200	300	Pending
Cambridge Visitor Welcome 2021	GROWTH GRANTS	Not Yet Started	All	Cambridge City Council	Cambridge City Council	£710,000	2023	60	380	440	Pending
TOTAL						£19,670,502		3,999	10,073	14,072	796

Accelerating Hi-Tech Jobs Growth – Through Innovation & Incubation Centres											
Haxton House Incubation Centre	INCUBATOR		Life Science	o2h Ltd	South Cambridgeshire District Council	£438,000	2024	64	46	110	Pending
South Fenland Enterprise Park	INCUBATOR		Business Growth	Fenland District Council	Fenland District Council	£997,032	2024	30	46	76	Pending
Photocentric 3D Centre of Excellence	INNOVATION CENTRE		Business Growth	Photocentric Ltd	Peterborough City Council	£1,875,000	2024	616	61	677	Pending
Cambridge Biomedical Campus	INNOVATION CENTRE & INCUBATOR		Life Science	Cambridge University Health Partnership	Cambridge City Council	£3,000,000	2027	880	2204	3084	Pending
NIAB - AgriTech Start Up Incubator	INNOVATION CENTRE & INCUBATOR		AgriTech	NIAB	South Cambridgeshire District Council	£2,484,000	2030	947	770	1717	44
NIAB - Agri-Gate Hasse Fen extension	INNOVATION CENTRE & INCUBATOR		AgriTech	NIAB	East Cambridgeshire District Council	£599,850	2025	65	100	165	Pending
TWI Engineering Centre	INNOVATION CENTRE		Advanced Manufacturing	TWI Ltd	South Cambridgeshire District Council	£2,100,000	2017	20	35	55	30
Biomedical Innovation Centre	INNOVATION CENTRE & INCUBATOR		Life Science	Cambridge University	Cambridge City Council	£1,000,000	2019	162	81	243	80
Haverhill Epicentre - Jaynic	INCUBATOR		Life Science	Jaynic Investment LLP	West Suffolk District	£2,600,000	2023	300	450	750	Pending
TWI Ecosystem Innovation Centre	INNOVATION CENTRE & INCUBATOR		Advanced Manufacturing	TWI Ltd	South Cambridgeshire District Council	£1,230,000	2025	2	75	77	Pending
West Cambs Innovation Park	INCUBATOR		Life Science	Uni of Cambridge	Cambridge City Council	£3,000,000	2025	380	150	530	Pending
TTP Life Sciences Incubator	INCUBATOR		Life Science	TTP	South Cambridgeshire District Council	£2,300,000	2025	236	10	246	Pending
University of Peterborough Phase 2 (Getting Building Fund GBF - Not LGF)	INNOVATION CENTRE & INCUBATOR	Not LGF	INNOVATION CENTRE & INCUBATOR	Photocentric Ltd	Peterborough City Council	£14,600,000	2026	718	1325	2043	Pending
Aracaris Capital Living Cell Centre	INNOVATION CENTRE		Life Science	Aracaris Ltd	South Cambridgeshire District Council	£1,350,000	2024	200	0	200	Pending
TOTAL						£37,573,882		20757	17920	38677	154

Accelerating Recovery in Construction - Through Transport Infrastructure Improvements											
Whittlesey King's Dyke Crossing	ROAD IMPROVEMENT		Transport	Cambridgeshire County	Fenland District Council	£8,000,000	2021	0	0	0	0
Bourges Boulevard Phase 1	ROAD IMPROVEMENT		Transport	Peterborough City	Peterborough City Council	£2,100,000	2020	0	0	0	0
Bourges Boulevard Phase 2	ROAD IMPROVEMENT		Transport	Peterborough City	Peterborough City Council	£9,200,000	2020	0	0	0	0
A47/A15 Junction 20	ROAD IMPROVEMENT		Transport	Peterborough City	Peterborough City Council	£6,300,000	2020	0	0	0	0
Wisbech Access Strategy	ROAD IMPROVEMENT		Transport	Cambridgeshire County	Fenland District Council	£6,000,000	2026	0	1500	1500	Pending
Lancaster Way Phase 1 Loan	ROAD IMPROVEMENT		Business Growth	Grovermere	East Cambridgeshire District Council	£1,000,000	2022	0	540	540	511
Lancaster Way Phase 2 Loan	ROAD IMPROVEMENT		Transport	Grovermere	East Cambridgeshire District Council	£3,680,000	2022	0			
Lancaster Way Phase 2 Grant	ROAD IMPROVEMENT		Transport	Grovermere	East Cambridgeshire District Council	£1,455,000	2025	0			
Ely Southern Bypass	ROAD IMPROVEMENT		Transport	Cambridgeshire County	East Cambridgeshire District Council	£22,000,000	2020	0	0	0	0
Manea & Whittlesea Stations	RAIL IMPROVEMENT		Transport	Cambridgeshire County	Fenland District Council	£395,000	2021	0	0	0	0
CAM Promotion Company	METRO SYSTEM	Not Yet Started	Transport	CPCA	CPCA Wide Projects	£999,000	2024	60	33	93	Pending
Soham Station	RAIL IMPROVEMENT		Transport	Cambridgeshire County	East Cambridgeshire District Council	£1,000,000	2024	0	0	0	0
TOTAL						£62,129,000		60	2073	2133	511

Retraining & Upskilling for New Jobs – Through Improved Education Capacity											
Metalcraft Advanced Manufacturing Centre	APPRENTICESHIP ACADEMY & INCUBATOR		Advanced Manufacturing	Metalcraft	Fenland District Council	£3,160,000	2030	14	624	638	Pending
University of Peterborough Phase 1	UNIVERSITY	Not Yet Started	Multi-Sector	CPCA	Peterborough City Council	£12,500,000	2027	250	14000	14250	Pending
March Adult Education Skills & Training Expansion	SKILLS TRAINING CENTRE		Multi-Sector	Cambridgeshire Skills	Fenland District Council	£400,000	2022	48	0	48	Pending
PRC Food Manufacturing Centre	APPRENTICESHIP ACADEMY		Food Processing	Peterborough City Council	Peterborough City Council	£586,000	2020	0	0	0	0
iMET Skills Training Centre	APPRENTICESHIP ACADEMY		Advanced Manufacturing	Camb Regional College	Huntingdonshire District Council	£10,500,000	2026	1	0	1	2
CITB Construction Academy	APPRENTICESHIP ACADEMY		Construction	CITB	Kings Lynn & West Norfolk	£450,000	2021	1	0	1	2
CRC Construction Skills Hub	APPRENTICESHIP ACADEMY		Construction	Camb Regional College	Huntingdonshire District Council	£2,500,000	2023	9	60	69	Pending
AEB Innovation Grant	SKILLS TRAINING GRANTS		Multi-Sector	CPCA	CPCA Wide Projects	£323,720	2023	0	50	50	Pending
TOTAL						£30,419,720		323	14734	15057	4

GRAND TOTAL						£149,793,104		8842	31653	40495	1465
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Recycled Capital	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening Balance	£ 9,188,924.28	£ 10,848,754.77	£ 10,858,754.77	£ 5,970,649.28	£ 2,848,249.28	£ 436,349.28	£ 394,449.28	£ 1,099,113.55	£ 1,433,113.55	£ 1,714,363.55	£ 1,898,363.55	£ 2,082,363.55
Current Forecast Expenditure	£ 1,340,169.51	£ 15,000.00	£ 5,057,155.49	£ 3,750,000.00	£ 3,750,000.00	£ 750,000.00	£ -	£ -	£ -	£ -	£ -	£ -
Income	£ 3,000,000.00	£ 25,000.00	£ 169,050.00	£ 627,600.00	£ 1,338,100.00	£ 708,100.00	£ 704,664.27	£ 334,000.00	£ 281,250.00	£ 184,000.00	£ 184,000.00	£ 2,024,000.00
Closing Balance	£ 10,848,754.77	£ 10,858,754.77	£ 5,970,649.28	£ 2,848,249.28	£ 436,349.28	£ 394,449.28	£ 1,099,113.55	£ 1,433,113.55	£ 1,714,363.55	£ 1,898,363.55	£ 2,082,363.55	£ 4,106,363.55

Recycled Interest	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening Balance	£ -	£ -	£ 3,300.44	-£ 92,126.79	£ 102,670.61	£ 342,889.75	£ 463,239.49	£ 553,807.95	£ 626,486.09	£ 904,347.76	£ 967,299.15	£ 1,024,992.82
Current Forecast Expenditure	£ -	£ -	£ 250,000.00	£ 250,000.00	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Income	£ -	£ 3,300.44	£ 154,572.77	£ 444,797.40	£ 240,219.14	£ 120,349.74	£ 90,568.46	£ 72,678.14	£ 277,861.67	£ 62,951.39	£ 57,693.67	£ 321,371.34
Closing Balance	£ -	£ 3,300.44	-£ 92,126.79	£ 102,670.61	£ 342,889.75	£ 463,239.49	£ 553,807.95	£ 626,486.09	£ 904,347.76	£ 967,299.15	£ 1,024,992.82	£ 1,346,364.16

University of Peterborough: Incorporation of PropCo2

To:	Business Board
Meeting Date:	12 January 2021
Public report:	Yes
Lead Member:	Austen Adams, Chair of the Business Board
From:	John T Hill, Director of Business & Skills
Key decision:	Key Decision for Combined Authority Board on 27th January 2021
Forward Plan ref:	2020/076
Recommendations:	<p>The Business Board is asked to:</p> <ul style="list-style-type: none">a) Recommend the Combined Authority Board delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Section 73 and the Monitoring Officer, to develop the necessary legal documentation for the Peterborough R&D Property Company;b) Recommend the Combined Authority Board approve the Business Plan for Peterborough R&D Property Company Ltd; andc) Recommend the Combined Authority Board approve consent for PropCo2 to enter into the contract with the commercial operation who wins the procurement exercise.

1. Purpose

- 1.1 The purpose of this report is to update the Business Board on the progress of the University Phase 2 Research & Development project and to invite the Business Board to recommend to the Combined Authority Board that delegation is granted to officers to develop the legal documentation for the Peterborough R&D Property Co Limited, that the business plan for the company is approved and that consent is granted for the company to enter into a contract with the commercial operator which is successful in the procurement exercise.
- 1.2 Appendix 1 includes the business plan for PropCo2.

The purpose of the Peterborough R&D Property Company (PropCo2) will be to manage the University phase 2 property development, its finances including the delivery Funds and with it, procure the services of a commercial operating company from the private sector.

This business plan is designed to provide an overview and detail of the:

- Objectives
- Deliverability including timescales
- Economic appraisal
- The shareholders
- Governance
- Dependencies and risk
- Financial plan

The drivers for establishing the Peterborough R&D Property Company (PropCo2) are:

- To assist with delivering current and future objectives of the CPCA and the other shareholder in the company where those objectives align
- To manage the Getting Building Fund investment awarded by PropCo2
- To procure the commercial operator from the private sector who will then manage and market the phase 2 property.

Benefits of the Peterborough R&D Property Company Ltd (PropCo2) are:

- Creating a Property Co will be a key part of providing a structure that will support and help to achieve the aims of the CPCA. Therefore, provides CPCA with a vehicle to assist the:
 - Development of a Low Carbon Economy and alignment with the Government's Net Zero aspirations.
 - Achievement of significant sector-cluster growth, based on technological innovation that will transform the knowledge intensity of products, services and jobs
 - Establishment of skills and learning in the very heart of the city, providing a platform for a high value manufacturing innovation eco-system with a Technical University at its core.
 - Holding and management of the CPCA's investment
 - Manage the partnerships with the other shareholder and wider stakeholders
 - Provide more options for control of ownership and / or sale later

2. Background

- 2.1 The phase 2 of the New University of Peterborough (UoP) project is going to be a Research & Development (R&D) Building which will focus of delivering an Advanced Manufacturing Innovation Eco-system for Peterborough and the north of the economy. The R&D building will be a 3,283m² build across 3 floors and facilitating a mix of high-quality technical laboratory and office space for incubations and start-ups.
- 2.2 The CPCA element of the budget for the project is made up of £14.6m Getting Building Fund (GBF) from MHCLG. The award of the funding followed a formal joint application process by the CPCA and its partner Photocentric, which was approved by the Business Board and CA Board in November 2020. Of this £14.6m, £827k has been ring-fenced for the associated car park and £300k has been top sliced to cover staff costs as per the BEIS funding agreement, leaving £13.47m for the build itself.
- 2.3 In addition to the GBF funding, Photocentric have committed to invest its own finance, which is just over £3m into the project providing a total build cost of £16.47m
- 2.4 The land for the development of the R&D building will be purchased from the UoP Phase 1 company (Peterborough HE Property Ltd) by the new special purpose vehicle company (SPV, Peterborough R&D Property Company Ltd). This transfer will include obligations around the use of the building. These obligations have been implemented to provide confidence to the shareholders of the Phase 1 building, that the land will be used to support the overarching site aims. Specifically, the land (and any building upon it) may only be used for the purposes of operating a research and development and innovation centre that facilitates the commercialisation of research and the growth of knowledge intensive start-up businesses, with ancillary use for proof of concept and small-scale manufacturing of individual products and connected administrative purposes, or as an educational facility. The conditions on use will be specified in the land transfer agreement between PropCo1 and PropCo2.
- 2.5 Photocentric will be the anchor tenant to the project, owning 18% of the shares in PropCo 2 and occupying 39% of the building.

Subscriber	Number of New Shares (proportionate to value subscribed)	Total subscription monies ('000)
CPCA through the GBF	82% of Shares	£13,469
Photocentric	18% Shares	£3,000

- 2.6 The mechanism by which the project will be delivered is through the creation of a new SPV which has been incorporated as a company limited by shares on 18th November 2020, by officer decision under ODN 222 – 2020, as Peterborough R&D Property Company Limited.
- 2.7 As part of developing the legal structure and the working arrangement both within the SPV (Peterborough R&D Property Company Ltd) and also with the Phase 1 company (Peterborough HE Property Ltd), the CPCA is working with all relevant parties to develop a

set of Key Terms which will provide the foundation for the drafting of the legal, company and procurement documents.

- 2.8 The CPCA has commissioned Pinsent Mason LLP (through officer decision notice) to draft the Articles of Association and the Shareholder Agreement that will apply to the functioning of the SPV. The allocation of shares in the company will be proportional to the financial investment made by each shareholder
- 2.9 In order that the project can be delivered in a timely manner, the CPCA, on behalf of the SPV, and following advice from Pinsent Mason, issued a Voluntary Ex-Anti notice to publicise the intention to direct the construction works to the same contractor as is delivering the Phase 1 build. This approach and the issue of a notice was approved under an officer decision. There has been no challenge to this approach and so the contract can be concluded subject to Board Approval.
- 2.10 The proposed Construction approach is to let a service contract for the design and then incorporate this into a works contract for the build. Both documents, and associated warranties, will be drafted by Pinsent Mason and will be executed between the SPV and the contractor.
- 2.11 The CPCA will, on behalf of the SPV, procure a Commercial Operator to be responsible for the marketing and securing the tenants/ letting of the building and the day-to-day management of the facility. This will be procured through a Competitive Procedure with Negotiation (accelerated through the publication of a prior information notice) and awarded under a Concession Contract such that the operating risk for the building will be transferred to the successful company. This Contract will be for an initial five-year period with an option to extend for a further five years, at the discretion of the SPV shareholders. As part of balancing this risk and ensuring commercial interest, the SPV will agree to offer an initial rent-free period that will be agreed as part of the procurement negotiations and in accordance with State Aid Rules. In addition, to aid the Commercial Operator in securing suitable tenants, the tenants may be given reduction/ support with regards to their rent, in accordance with State Aid rules. This is detailed further in section 8 of the business plan in appendix 1.
- 2.12 As part of the suite of procurement documents, Pinsent Masons will draft a Concession Agreement for lease and a lease that will be entered into by the SPV and the successful Commercial Operator; this will address the required building management standards, services (such as soft FM/ICT services to include cleaning, security, catering and reception services, network connectivity and infrastructure), and letting obligations. It is anticipated that the building and land maintenance will be provided by the SPV. In addition, Pinsent Mason will provide a sublease that can be used/ tailored for use both between the Commercial Operator and Photocentric and with other identified tenants.

Concerning the use of the Business Board's investment in the building

- 2.13 To enable the potential future expansion of the Campus, PCC have, through negotiation of the Key Terms, specifically requested that the CPCA as the original applicant for the GBF investment in the Research building, applies reasonable endeavours to make a case to the Business Board, for use of any recycled funding out of its investment in the building, for further expansion of the University & Research Campus, subject to compliance with

CPCA's Assurance Framework and rules for the administration of the business board funding at that time.

- 2.14 It is important that the agreement provides for the option that the current investor Photocentric, or a third party, to invest further, which would allow the CPCA to sell some of its shareholding and recycle some or all of the GBF invested in the building for new projects.
- 2.15 Conditions Precedent - Completion of the overall Project and procurement of the Commercial Operator is conditional on:
1. The transfer of the land;
 2. The confirmation of the GBF and Private investment funding and the Shareholder Agreement being signed Planning Permission being obtained; and
 3. The Construction Contract being agreed and signed by the SPV.
- 2.16 Photocentric, the co-investor in the new SPV, will also act as the Anchor Tenant, occupying one of the three floors of the building (nominally 39%) under a sub-lease from the Commercial Operator.
- 2.17 The intention is Photocentric will be afforded 18% of the building space at a peppercorn rent, on the basis of their 18% of shares in Propco2, while forgoing any rights to profits from the letting of the remaining space in the building (i.e. the CPCA will be entitled to 100% of the profits in return for its 82% shareholding). The remaining space they intend to occupy, will be charged to them, at the same discounted commercial rate as all other tenants. This approach will be subject to legal review in January once the state aid regime in place after the Brexit transition period ends has become clear.

Significant Implications

3. Financial Implications

- 3.1 The table below sets out the funding streams being put forward by the two investors

Funding	Total investment £'000
CPCA top-slice (GBF)	304
CPCA equity investment (GBF)	13,469
Photocentric equity investment	3,000
Total	16,773

To minimise the risk to the funds, the CPCA will subscribe to the total value of their shares upon the shareholder agreement being signed. Then will pay them up to Peterborough R&D Property Company Ltd (i.e. make the actual cash transfer) as the company requires over the course of delivery to meet the costs of the project.

3.2 The draft table below sets out the expected cashflow for the SPV over the delivery phase of the project

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
Income	£,000	£,000	£,000	£,000	£,000
GBF Investment drawdown	-2,000	-9,200	-2,573	-	-13,773
Photocentric Investment	-190	-	-2,625	-185	-3,000
Total	-2,190	-9,200	-5,198	-185	-16,773
Expenditure					
Sustainability extras			300		
Land purchase	190				190
Construction Works	92	8,482	4,003	189	12,766
Fees & Surveys	886	714	209	-	1,809
Client Direct Costs	-	-	250	-	250
Contingency	-	911	547	-	1,458
Totals	1,168	10,107	5,309	189	16,773
Opening Balance	-	-1,022	-114	-3	N/A
Total Income	-2,190	-9,200	-5,198	-185	-16,773
Total Expenditure	1,168	10,107	5,309	189	16,773
Closing Balance	-1,022	-115	-3	-	N/A

Further detail is included in section 12 of the business plan for The Peterborough R & D Property Company Ltd (Appendix 1).

4. Legal Implications

4.1 None

5. Other Significant Implications

5.1 No other significant implications identified.

6. Appendices

6.1 Appendix 1 – Business plan

7. Background Papers

7.1 None

Peterborough R & D Property Company Ltd - PropCo2

Business Plan

Appendix 1

December 2020

The purpose of the Peterborough R&D Property Company (PropCo2), will be to manage the University phase 2 property development, its finances including the delivery Funds and with it, procure the services of a commercial operating company from the private sector.

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 - ❑ Development of a Low Carbon Economy and align with the Government's Net Zero aspirations.
 - ❑ Achievement of significant sector-cluster growth, based on technological innovation that will transform the knowledge intensity of products, services and jobs
 - ❑ Establishment of skills and learning in the very heart of the city, providing a platform for a high value manufacturing innovation ecosystem with a Technical University at its core.
 - ❑ Holding and management of the CPCA's investment
 - ❑ Manage the partnerships with the other shareholder and wider stakeholders
 - ❑ Provide more options for control of ownership and / or sale later

1 - Introduction

The Manufacturing and Materials Research & Development Centre will be a joint venture company owned by CPCA and Photocentric Ltd. The intention is to achieve significant sector-cluster growth, based on technological innovation that will transform the knowledge intensity of products, services and jobs, arresting four decades of decline in prosperity to reset Peterborough's potential rate of recovery.

The building, the second phase of the development of a new University in Peterborough, will link academia and industry to establish skills and learning in the

very heart of the city, providing a platform for a high value manufacturing innovation eco-system with a Technical University at its core.

The Centre will have a focus upon contributing towards the development of a Low Carbon Economy and align with the Government's Net Zero aspirations.

This Business Plan will be developed further by the shareholders of the R&D Centre (Photocentric and the CPCA) and the procured Commercial Operating Company following procurements.

2 - Objectives and Deliverability

2.1 - The Purpose

The new Centre will transform the local economy which has suffered from extremely low levels of R&D activity and a complete absence of any research and innovation eco-system. This will turn around the current erosion in productivity and high value knowledge industry, and will lead to new aspirations, opportunities, wage growth, increased well-being and beneficial health outcomes.

2.2 - Objectives of the Centre

This facility has two significant objectives: to create research which should contribute to technology which will allow for reduced carbon emissions for innovative businesses and to provide the students of the new University with access to tomorrow's manufacturing technologies.

The building will house established and start-up companies developing cutting edge manufacturing technologies linked to advanced manufacturing. This phase of the University will link academia and industry to establish skills and learning in the very heart of Peterborough, providing a platform for a high value manufacturing innovation eco-system with a Technical University at its core.

The partners are committed to establishing a research centre to position Peterborough at the core of a new Net Zero economy. The building will host development work that will create the new manufacturing techniques that will define a low-carbon Industry 4.0 model for tomorrow.

The research performed there will create a wide range of technologies, including new energy storage devices, specifically car batteries, manufacture new products using sustainable plastics and print industrial parts as opposed to moulding them. This will define the next generation of manufacturing methods making plastic, ceramic, metal and composite parts.

As the anchor tenant, Photocentric has had a core belief in innovating since its formation in Peterborough in 2002. Today they employ over 30 scientists working on creating better ways to manufacture products using innovative 3D printing concepts that they have invented. They have a world-class chemistry team that are the leading innovators in visible light photopolymerisation, an engineering team that designs the 3D printers in the sector they invented, technicians, software developers, metallurgists, ceramicists and electro-chemists working on the next generation of printed batteries. In 2020, their unique

patented process using LCD screens was proven, by making millions of items of PPE, and they are now validating this digital manufacturing process in a variety of applications as an alternative to traditional manufacturing techniques. They hold 8 granted patents with 23 pending and have 3 Queen's Awards, two for Innovation.

The hub, with a world-leading research and manufacturing company, at its heart, will encourage other companies to join the hub. It is hoped that the other hub members will locate their associated manufacturing facilities nearby as have Photocentric.

The vision for the innovation centre is to invest in research today to enable manufacture tomorrow. Specifically, this will be a facility enabling efficient low to medium volume of manufactured parts, bridging the gap between the prototype and mass manufacture volumes. This facility will speed up the design and launch of new products and be of strategic value to Peterborough's innovative manufacturing companies.

The vision to work with the University is a central part of the partner's beliefs that *they are stronger when they educate*. Encouraging education is one of the partner's goals and students of all ages will be able to access facilities and labs to learn about the applications for industry-leading technology. It is envisaged that the students who graduate from the University will have the best grounding possible, being inspired with the applications for their education and because they gained experience that was at the cutting edge, becoming highly desirable to employers.

3 – Vision

The project will transform the local economy having suffered from extremely low levels of R&D activity and a complete absence of any research and innovation ecosystem. This will turn around the current erosion in productivity and high value knowledge industry, and will lead to new aspirations, opportunities, wage growth, increased well-being and beneficial health outcomes.

4 - Economic appraisal

There are broadly two direct quantifiable benefits from the proposed options:

1. Increased employment as a direct result of the creation of the Manufacturing and Materials Research & Development Centre as staff are recruited.
2. Employment created in the wider economy as an indirect result.

Economic appraisals of the Recommended option has been conducted on the following basis:

- a. Direct staff employment assumed from the Net Internal Area floorspace created is 237 jobs (as shown on page (10) of this business plan).
- b. Indirect employment taken from the Full Business Case and anticipated to be ten times that of the direct employment.
- c. Average GVA per employee for direct and indirect jobs created estimated at £42,700.

The key Inputs for each option are summarised in the table below:

Input Costs (Fiscal Costs)	Recommended
Capital Investment	£15,320,000
Revenue Investment	£0
Total Fiscal Costs	£15,320,000

The key output from this appraisal is summarised in the table below:

Appraisal Outputs	Recommended
Total Net Present Benefits	£221,836,749
Total Net Present Costs	£15,092,500
Benefit Cost Ratio	14.7

Recommended option

This review confirms the recommended option delivers a Benefit Cost Ratio of **14.7** based on current costings and job numbers. This represents an exceptional return according to government guidance and benchmarks which defines the VfM category as:

- Poor VfM if the BCR is less than 1.0;
- Low VfM if the BCR is between 1.0 and 1.5;
- Medium VfM if the BCR is between 1.5 and 2.0;
- High VfM if the BCR is between 2.0 and 4.0; or
- Very high VfM if the BCR is greater than 4.0

However, reducing this project to a simple BCR number belies the fact that the success or failure of this investment in Peterborough, relies on many factors. Simply assuming that such a high BCR value assures its success can lead to a false sense of comfort.

Sensitivity analysis

In light of the risks outlined above, sensitivity testing has been carried out by adjusting key variables as follows:

- 33% reduction in Net Present Benefits.
- 50% reduction in Net Present Benefits.

The key outputs from these appraisals are summarised in the table below:

Sensitivity Tests	Recommended Baseline	Sensitivity to 33% drop in Net Present Benefits	Sensitivity to 50% drop in Net Present Benefits
Total Net Present Benefits	£221,836,749	£146,412,254	£110,918,374
Total Net Present Costs	£15,092,500	£15,092,500	£15,092,500
Benefit Cost Ratio	14.7	9.7	7.35

Even allowing for these significant risks, a high BCR is sustained. Therefore, there remains a strong economic case for investing in the recommended option to generate direct and indirect benefits for the region.

Further testing has been carried out to determine the impact of a substantial cost over-run on the construction of the Building. The outcomes from this appraisal, which tested a doubling of the construction costs, are set out in the table below:

Sensitivity Tests	Recommended Baseline	Sensitivity to Construction Costs Doubled	Sensitivity to Construction Costs Doubled with 50% drop in Net Present Benefits
Total Net Present Benefits	£221,836,749	£221,836,749	£110,918,374
Total Net Present Costs	£15,092,500	£30,185,000	£30,185,000
Benefit Cost Ratio	14.7	7.35	3.67

The benefits are not particularly sensitive to even very significant rises in the cost (although naturally any cost over-runs will challenge the basic affordability of the scheme).

A critical point to note is that the key benefits stem largely as function of the ambitious indirect job growth projections. Only this factor will generate a significant direct and positive economic impact.

5 – Timescales

5.1 - Deliverability

The construction of the R&D Centre will be delivered through the following methodology:

- Planning Consent: the site has been selected based on there being an overarching Masterplan for a university and more specifically this particular location, because the requisite surveys and provisions to address the utilities requirements have already been procured and resolved. This approach has been agreed with the Peterborough HE Property Company, (consisting of Anglia Ruskin University (ARU), PCC and CPCA) along with the key terms for the purchase of the site. In addition, we have the commitment of the Leader and CEO at PCC that they will expedite planning along with the provision of a full-time and dedicated PCC Planning project manager. Together, PCC & CPCA have commitment to achieving full planning permission by March 2021- our build commencement target.
- Project Management – the CPCA has, on behalf of the project, appointed MACE through a direct award off a Crown Commercial Framework. MACE

lead a multidisciplinary team which includes project management, programme management, design, and cost management by way of a team of 19 individuals. The decision to make a direct award was based on their winning a competitive process for Phase 1 and their effective, against programme delivery

- Construction: The Peterborough R&D Property Company, with CPCA as the majority shareholder is required to procure the construction works in accordance with the Public Contract Regulations 2015. However, having carried out a site logistics and Health & Safety assessment, along with a programme review with MACE and the Phase 1 contractor, it was determined that the safe delivery of the project required a single contractor delivering both Phases. The CPCA therefore, on behalf of the project published a Voluntary Ex-anti (VEAT) Notification setting out its intention to direct award under Regulation 32 (exclusive rights) Public Contract Regulations 2015. This has enabled early engagement with the contractor and their assurance that the build is achievable by end March 2022.
- Budget: MACE have, based on the specified floor area and the building usage requirements, through applying industry standard estimating practices, confirmed that the secured funding and private investment is sufficient in consideration of the site constraints and infrastructure requirements
- Programme: Following the decision to direct award the construction works to the Phase 1 contractor, MACE has confirmed that the programme timescales are realistic and deliverable.

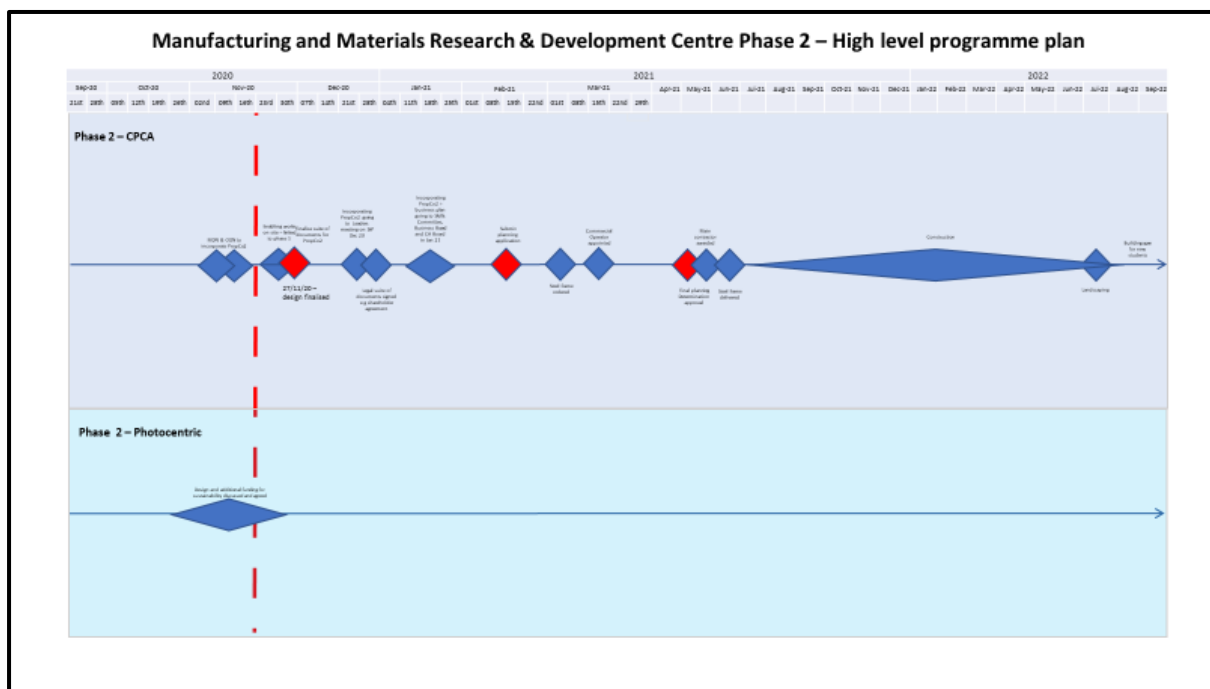
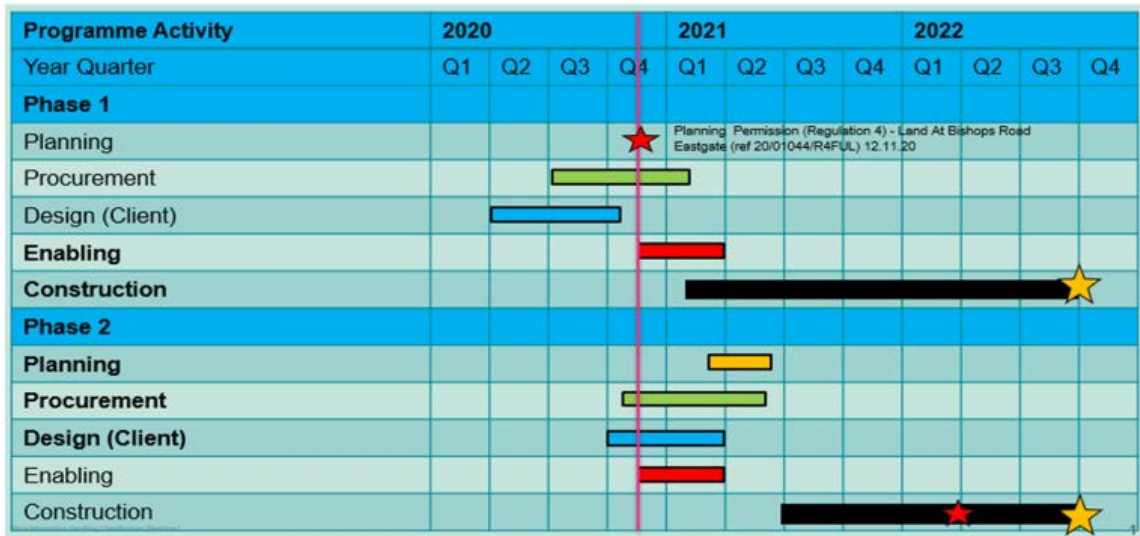
Post completion, in August 2022, the is the responsibility of the Commercial Operator to be taken up over the course of the following three years, which is made financially viable, through the CPCA's equity investment, allowing the operator to take up the lease on the building at zero cost for the first 3 years, rising to commercial rates over 10.

5.2 - Programme timeline

Below are the interphases between Phase 1 & 2 and the Phase 2 high level programme plan.

Phase 1 will establish a University Campus in Peterborough, intended for 2,000 students by September 2022, with a curriculum and delivery model that is designed to meet the skills needs that growth in the Greater Peterborough business base will generate. Phase 2 is the development of the Net Zero Manufacturing and Materials Research & Development Centre

Interfaces phase 1 & 2



6 - Legal position

The CPCA has already incorporated PropCo2 on 18th November 2020 via an Officer Decision Notice 222 -2020 as the Peterborough R &D Property Company Ltd. The Key Terms of Reference have fundamentally been agreed between the shareholders of Propco 2 and more holistically, between Propco 2 and Propco 1 who own the current university campus site of 5 acres, upon which the Research Building is proposed to be situated.

The shareholders of PropCo 1 will lay down the following conditions upon the operation of the Research Building, to ensure its activities align and add value to the development of a strong and successful University & Research Campus. These are:

Concerning the use of the building

The land (and any building upon it) may only be used for the purposes of operating a research and development and innovation centre for the purpose of facilitating the commercialisation of research and the growth of knowledge intensive start-up businesses, with ancillary use for proof of concept and small-scale manufacturing of individual products and connected administrative purposes, or as an educational facility. The conditions on use will be specified in the land transfer agreement between PropCo1 and PropCo2.

Concerning the use of the Business Board's investment in the building

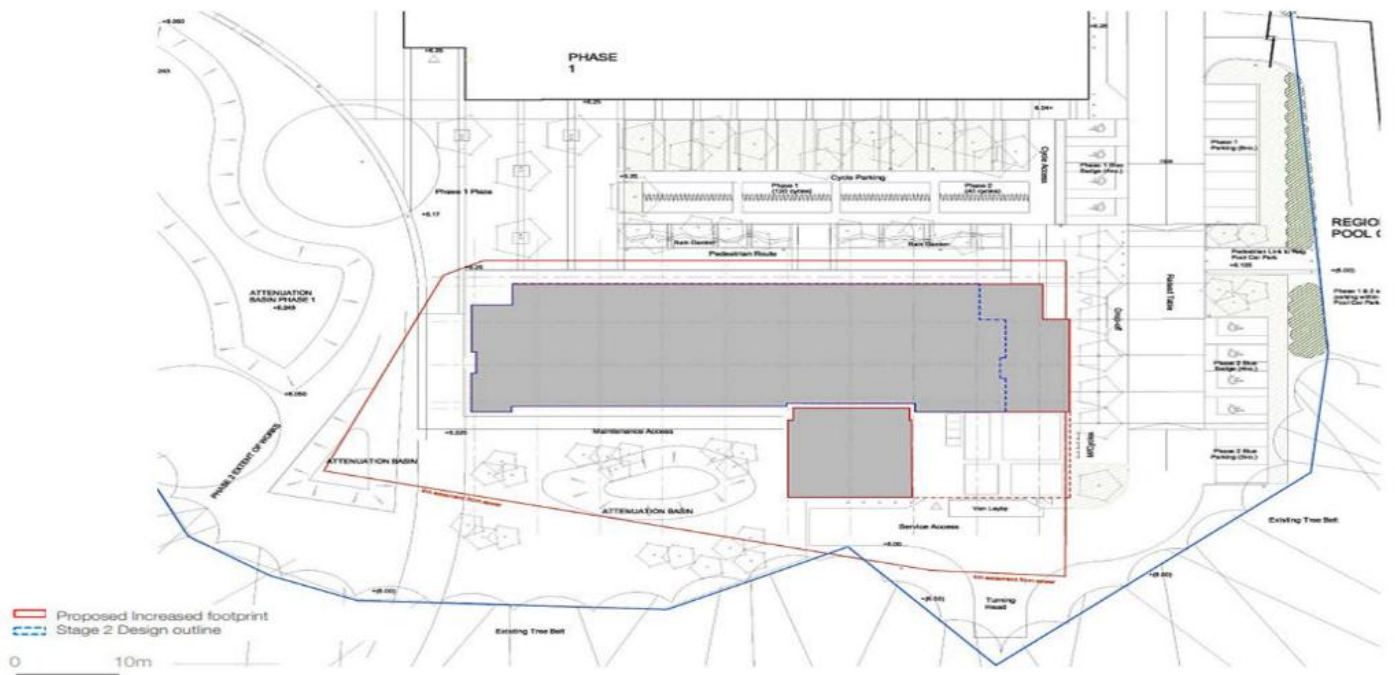
That the CPCA, as the original applicant for the Get Building Fund investment in the Research building, applies reasonable endeavours to make a case to the Business Board, for use of any recycled funding out of its investment in the building, for further expansion of the University & Research Campus.

The Key Terms of Reference will include the investment for shares from each shareholder. The allocation of shares in the company will be proportional to the financial investment made by each shareholder, in the creation of the Phase 2 Research Building. Photocentric's share allocation of 18% will be subject to the change request being approved.

Subscriber	Number of New Shares (proportionate to value subscribed)	Total subscription monies (’000)
CPCA through the Getting Building Fund	82% of Shares	£13,469
Photocentric	18% Shares	£3,000

An experienced and professional research building and incubator operator will be procured under a concession contract arrangement by way of a Competitive Procedure with Negotiation. This form of contract will provide the successful supplier with the right to exploit the property along with the responsibility for the sourcing of suitable tenants and the running of the building.

The building design has been developed to a RIBA 2 level of detail based on Category A design for Tenant and Landlord areas. This will be further developed to RIBA 3 for submission of planning at the end of January 2021



Ground Floor
 GIA 942 + 143 plant = 1085 sqm
 NIA 717 sqm
 Lettable 478 sqm
 Stage 2 Design outline

First Floor
 GIA 983 + 143 plant = 1126 sqm
 NIA 800 sqm
 Lettable 682 sqm

Second Floor
 GIA 1029 sqm
 NIA 855
 Lettable 763 sqm

The full suite of legal documents for CPCA and Photocentric including the Articles of Association and the Shareholder Agreement will be worked up by Pinsent Mason LLP over the first quarter of 2021.

7 - The Partners

7.1 - Photocentric

Photocentric are a profitable, rapidly growing, technology company operating at the intersection of innovative photopolymers, materials and engineering, based in Peterborough.

They have in-house chemical manufacturing, machining, design, engineering facilities and over 50 3D printers for making test parts and evaluating binders. R&D is carried out in a large open area devoted to photochemistry, software, engineering, and testing with over 30 scientists, 5 of which are PhDs. Recently Photocentric's core research has become focussed on new battery manufacturing techniques.

Photocentric forecasts growth of over 160% in 2020, from £8 million to over £21 million, with sales in 2021 forecasted to be more than £35 million.

They are currently leading three Innovate UK Government Innovate funded projects researching into new 3D printed battery technology, and work with the following catapults: WMG, APC, MTC and CPI. They co-research with several of the leading Universities around the world and have become the world's leading manufacturer of photocured objects.

In energy storage, they believe that they have created the world's most effective means of creating photocured objects in 3 dimensions and are now proving this can deliver better batteries. Their novel additive manufacturing techniques can create lighter, smaller batteries and thus deliver faster charging combined with increased power density, enabling an order of magnitude improvement in battery performance.

Photocentric and BASF have cooperated as both manufacturing and research partners in 3D printing chemistry - a testament to the strength of their chemistry division. The cornerstone of future developments will be to make all their products sustainably.

As anchor tenant, Photocentric will situate its entire research and senior managers within the building creating a significant amount of high value employees and International visitors. Photocentric has a core value of supporting education and will work with the University to inspire their students, giving them open access to learn under trained supervision.

7.2 - The CPCA

In 2017, the Cambridgeshire and Peterborough Combined Authority was established as a Mayoral Combined Authority for the Cambridgeshire and Peterborough area. The Combined Authority is made up of a directly elected Mayor and seven constituent authorities, with a representation from the Local Enterprise Partnership (Business Board) who is also the Chair of the Business Board. The Combined Authority works with local councils, the Business Board (Local Enterprise Partnership), local public services,

Government departments and agencies, universities and businesses to grow the local and national economy. The key ambitions for the Combined Authority include: doubling the size of the local economy, accelerating house building rates to meet local and UK need, delivering outstanding and much needed connectivity in terms of transport and digital links and transforming public service delivery to be much more seamless and responsive to local need.

This project is of high importance to the CPCA, as it will contribute significantly towards their objectives of;

- strengthening the UK's economic recovery from COVID-19;
- levelling-up of prosperity and opportunity for the "left behind" region of Peterborough and the Fens
- helping to make the UK a scientific superpower including leading in the development of technologies that will support the government's ambition to reach net zero carbon emissions by 2050
- strengthening the UK's place in the world.

8 - Operational Plan

8.1 - Centre Operational Management

A commercial operator for the building will be secured through a procurement; this management company will manage the day to day running of the building under a Concession contract, which will include a number of prerequisite clauses that offer subsidised rental arrangements for an initial period to companies within the building. Photocentric will lease a proportion of the building for their own Research and Development use based on their investment and other R&D tenants will be sourced to occupy the remaining space.

Fast-track procurement options are being explored for the procurement of the Building Operator. However, the current plan is to use a concession contract through which PropCo2 passes on, the commercial risk of operating the building as a research centre and incubator. In doing so, the contract transfers the operating risk to the commercial operator, and this involves real exposure to the vagaries of the market, and a potential for making a loss is not nominal or negligible. To balance this risk for the Operator, the concession contract will be offered at zero cost for the lease of the building for up to 5 years. The business model below, shows a breakeven at year 5 on this basis, with a modest profit by year 10. On the basis of this model, bidders will be required to tender, using their experience and capabilities to either or both, increase potential revenues and/or reduce potential costs, relative to the base business model. The business model has already undergone early-stage market validation through advice from Savills and will, during January be exposed to potential bidders. Officers are currently preparing a Prior Information Notice (PIN) to go out to the market. Legal advice has been sought from Pinsent Mason to confirm that the proposals for a rent-free lease period will be State Aid compliant.

The procured building operator will be required to provide a full range of 'soft' Facility Management and ICT services and resources required to operate the Research Building effectively and to deliver an excellent tenant experience. Such soft FM/ICT services to include cleaning, security, catering and reception services, network connectivity and infrastructure. It is anticipated that PropCo2 will deliver 'hard' FM

services, which are the physical building and land maintenance. The procured building operator will provide commit to working with the CPCA to establish an investment model to meet the initial start-up costs at low tenant occupation levels and fund/finance the working capital requirements; and to establish a viable business model and financial framework sufficient to indemnify PropCo2 against all maintenance and operating costs of the Research Building and can support any rental payment demands agreed through procurement for the lease of the building from PropCo2.

Building Operator Business Model - Draft for Consultation with Bidders

Year	1	2	3	4	5	6	7	8	9	10	
INCOME											
Target Tenant Occupancy	33.00%	50.00%	66.00%	80.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	
Car Park utilisation balancing remote learning with non-staff access	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	
Rent Charges to Tenants	£63,092	£95,595	£126,185	£152,951	£172,070	£172,070	£172,070	£172,070	£172,070	£172,070	
Service Charge to tenants	£30,044	£45,521	£60,088	£72,834	£81,938	£81,938	£81,938	£81,938	£81,938	£81,938	
Rates re-charged to Tenants at cost	£0	£0	£0	£0	£0	£45,521	£45,521	£45,521	£45,521	£45,521	
Broadband Charges to tenants	£6,009	£9,104	£12,018	£14,567	£16,388	£16,388	£16,388	£16,388	£16,388	£16,388	
Hot Desking	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Dedicated Desks	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Virtual Office	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Meeting room / meeting space	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Catering	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Post	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Utility recharge	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Car park income (100 slots x 240 days x £4 day)	£23,760	£36,000	£47,520	£57,600	£64,800	£64,800	£64,800	£64,800	£64,800	£64,800	
Total Income	£122,906	£186,221	£245,812	£297,954	£335,198	£380,719	£380,719	£380,719	£380,719	£380,719	
COSTS											
Rates paid to PCC - Under Negotiation & TBC	£0	£0	£0	£0	£0	£45,521	£45,521	£45,521	£45,521	£45,521	
Lease paid to Propco	£0	£0	£0	£0	£0	£63,730	£63,730	£63,730	£63,730	£63,730	
Car parking paid to PCC	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	
Broadband	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	
Insurance (Building)	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	
Maintenance	£30,727	£40,969	£54,626	£72,834	£72,834	£72,834	£72,834	£72,834	£72,834	£72,834	
Security	£9,104	£9,104	£9,104	£9,104	£9,104	£9,104	£9,104	£9,104	£9,104	£9,104	
Energy	£40,059	£40,059	£40,059	£40,059	£40,059	£40,059	£40,059	£40,059	£40,059	£40,059	
Water and Sewerage	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	
Waste	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	£5,463	
Reception	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	£21,850	
Management	£54,626	£54,626	£54,626	£54,626	£54,626	£54,626	£54,626	£54,626	£54,626	£54,626	
Total Costs	£213,141	£223,383	£237,039	£255,248	£255,248	£364,499	£364,499	£364,499	£364,499	£364,499	
Profit/Loss	-£90,234	-£37,162	£8,773	£42,706	£79,950	£16,220	£16,220	£16,220	£16,220	£16,220	
Profit at year 5					£4,032	Profit at year 5					£81,101
Offer to Operator											
Contract for all maintaining & operating costs of building estimated at	£1,184,059	over 5 years as a COST to operator									
Rates per sqft - discounted free for 5 yrs passed on to SME tenants	£0	over 5 years as a BENEFIT to operator									
tenants	£318,549	over 5 years as a BENEFIT to operator									
Intervential rate on offer to operator 27%											

The table above is purely an example.

CPCA has already clarified the above is State Aid compliant for the Commercial Operator and any tenants – email from Pinsent Masons dated 08th December 2020. It will also ensure it is for CPCA and Photocentric.

CPCA is working with Savills on the commercial aspects of the financial table above.

9 – Governance

Strong governance arrangements are in place that mimic the successful Phase 1 university project processes. This involves the formation of a Research Centre Property Company (PropCo2) which will include Photocentric and the CPCA. This will be established using similar Article of Association and Shareholder Agreements to the Higher Education Property Company, involving ARU, PCC and CPCA (PropCo1). A Collaboration Agreement between PropCo1 and PropCo2 has been drafted, as will the sale agreement for the land, from PropCo1 to PropCo2.

The directors will consist of two positions from CPCA, one being John T Hill - Chief Officer Business Board and Director Business & Skills and the other Robert Emery - Business Board S73 & CPCA Deputy S73, and one position for Paul Holt of Photocentric.

This is an interim measure, and it will be reviewed to ensure the directors both fit culturally with the company and who are best placed so that conflicts of interest are managed appropriately

The chair will be a rotating role between the 3 directors

No less than 3 directors will be sufficient for quoracy of Board decisions.

Expectations of the directors, which are statutory duties owed by each director to the company:

1. A director must act within their powers under the company's constitution
2. A director is to promote the success of the company
3. A director must exercise independent judgement
4. A director must exercise reasonable skill, care and diligence in their role
5. A director must avoid or manage conflicts of interest which may affect their objectivity
6. A director must not to accept benefits from third parties
7. A director must declare interest in proposed transactions or arrangements

Directors will be legally responsible for the running of the company including filing responsibilities to Companies House. A company secretary will also be appointed.

10 - Dependencies and Risk

Completion of the Centre will require;

- i.* Successful development of the University of Peterborough Phase 1. This project is already underway and the established joint project management and building programmes for the two Phases will ensure optimum delivery of both.

- ii. Securing the required match funding, which has now been guaranteed by Photocentric and Peterborough City Council as indicated in the budget forecasts.
- iii. Achieving planning by March 2021; mitigated through the special arrangements and high-level commitments, afforded to this project by PCC.
- iv. Procurement of the site from PropCo1 by January 2021; mitigated through agreement of Key Terms Reference on the sale of the land to PropCo 2, by PropCo 1 shareholders.
- v. Procurement of a build contractor by January 2021; addressed in 'Deliverability' above.
- vi. Procurement of an expert and experienced R&D centre operator by July 2021 mitigated through early engagement with the market.
- vii. Appropriate car parking provision; a Project Initiation Document for a proposed decked car park, to be built upon the currently surface facility at Peterborough Regional Pool has been produced.
- viii. Although not decedent upon the next phase of development of the University; Phase 2 will be inexorably linked to Phase 3; the establishment of a new scientific equipment and capability building, that will expand the Cambridge innovation eco-system into Peterborough. This Net Zero Hub will expand and build upon the existing TWI (the lead partner) extensive technology, research and innovation network and form a closely linked knowledge sharing and research excellence cluster around Peterborough and into Fenland.
- ix. A risk register has been developed and will be regularly revised throughout the project. The current register is attached as annex 1.

11 - Marketing

The commercial operator will be responsible for all marketing activity

12 - Financial Plan

12.1 - Funding Streams

Funding	Total investment £'000
CPCA topslice (GBF)	304
CPCA equity investment (GBF)	13,469
Photocentric equity investment	3,000
Total	16,773

To minimise the risk to the funds, the CPCA will subscribe to the total value of their shares upon the shareholder agreement being signed. Then will pay them up to Peterborough R&D Property Company Ltd (i.e. make the actual cash transfer) as the company requires over the course of delivery to meet the costs of the project. The funding streams shown in the above table are for the two shareholders, one being CPCA the other Photocentric.

12.2 - Expenditure and Cash flow

The draft table below sets out the expected cashflow for the SPV over the delivery phase of the project. The expense streams are those worked up by MACE on the provision that the additional funding from Photocentric (£3m in total) is approved. Should this not be the case, then a revised plan will be drafted by MACE. This number also includes a £300k top-slice for CPCA costs

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
Income	£,000	£,000	£,000	£,000	£,000
GBF Investment drawdown	-2,000	-9,200	-2,573	-	-13,773
Photocentric Investment	-190	-	-2,625	-185	-3,000
Total	-2,190	-9,200	-5,198	-185	-16,773
Expenditure					
Sustainability extras			300		
Land purchase	190				190
Construction Works	92	8,482	4,003	189	12,766
Fees & Surveys	886	714	209	-	1,809
Client Direct Costs	-	-	250	-	250
Contingency	-	911	547	-	1,458
Totals	1,168	10,107	5,309	189	16,773
Opening Balance	-	-1,022	-114	-3	N/A
Total Income	-2,190	-9,200	-5,198	-185	-16,773
Total Expenditure	1,168	10,107	5,309	189	16,773
Closing Balance	-1,022	-115	-3	-	N/A

Annex 1 – Risk register

Risk Identification											
ID	Title / Description (Cause)	Effect	Category	Risk Owner	Likelihood	Cost Effect	Time Effect	Quality	Assessment	Management Plan	Action Owner
001	Expectations of the R&D commercial operator cannot be accommodated in building design	Redesign or building that cannot be used by R&D operator as business case isn't sustainable in space provided	15. Operational	CPCA	4	5	5	5	100	CPCA to ensure that as far as reasonably practicable the R&D Tenants' requirements are considered in the business case.	Alan Downton CPCA
002	Sustainability accreditation - Expectations of Photocentric are unclear and their financial contribution to a sustainable agenda cannot be agreed for RIBA 2	Delays to planning and design to incorporate their potential sustainability requirements. Requirements could be realised too late so sustainability agenda won't be met.	6. Design	CPCA	4	4	3	5	100	Qualify assumptions in the RIBA 2 report. Engagement with Photocentric to understand their requirements and highlight options available to meet a sustainable agenda. Review sustainability approach with the project team (MCW / CPW).	Photocentric
003	Assumptions made to enable the contractor to submit their initial costs are different to those agreed at the end of stage 2.	Price received from contractor may not allow for all of the design elements	8. Procurement	CPCA	5	3	4	3	80	Continual engagement with B&K throughout the pricing process.	Project Team
004	Overlap of operational requirements between Phase 1 and 2 not understood	Cause dispute between stakeholders	15. Operational	CPCA	4	4	3	2	64	Liaise and agree with B+K on award and agree with Photocentric and ARU regarding design proposals	ARU
005	Parking strategy doesn't accord with Phase 2 timeline for planning	If parking strategy isn't agreed, it could cause delays to planning application	4. Programme	CPCA	4	4	4	2	64	Agree strategy early prior to submission of planning	PCC
006	Planning determination not secured by required date	Delay to construction commencement	4. Programme	CPCA	4	4	4	2	64	Continual engagement with PCC through the application process.	PCC
007	Transport modelling assessment - not instructed by PCC	Will delay determination of planning - which is on the critical path	4. Programme	CPCA	2	4	5	2	50	Evidence of instruction from PCC subcontractor Skanska required	PCC
008	Lack of brief from end users could lead to undefined spacial requirements	Assumptions need to be made, possibly causing late changes during the design and construction phase which will cause delay to programme and increased cost.	6. Design	CPCA	2	5	3	3	50	Qualify assumptions in the RIBA 2 report and seek advice from CPCA and or commercial operator as to the viability of the space being provided	CPCA
009	Anglian water could object to building too close to their sewer	Could lead to the need for a large change to the design or decreasing the size of the building	7. Surveys and Site conditions	CPCA	2	4	5	3	50	Liaise with Anglian Water to understand expectations	Smith and Walwork
010	Electrical supply capacity. Peterborough Football Club may be looking to a reserve large electrical capacity in the area.	Risk of the building not being operational as it contains a lot of machinery dependant on electrical supply. Could prevent the electrical supply to future phases	9. Construction/ Logistics	CPCA	2	5	4	5	50	CPW to submit applications to relevant utility providers in due course to gain an understanding of the current supply and capacity (takes up to 35 working days for a response).	CPW
011	Ground contamination not as expected in phase 1	Increase project cost above budget; increase construction duration. Removal of contaminated material from site causing increased costs and programme.	11. Environmental	CPCA	3	4	3	3	48	Review phase 2 site GI and trenching by Main Contractor	Main Contractor

University of Peterborough Manufacturing & Materials Research & Development Centre Project Change Request

To:	Business Board
Meeting Date:	12 January 2021
Public report:	Yes
Lead Member:	Austen Adams, Chair of the Business Board
From:	John T Hill, Director of Business and Skills
Key decision:	Key Decision for Combined Authority Board on 27 th January 2021
Forward Plan ref:	2020/086
Recommendations:	<p>The Business Board is asked to</p> <ul style="list-style-type: none">a) Recommend the Combined Authority Board agree to the £1.13m increase in equity investment from the existing project partner into the Peterborough R&D Property Company Ltd; andb) Subject to the approval of recommendation (a), recommend the Combined Authority Board note the new revised total project budget of £19.5 million and the revised shareholding split in Peterborough R&D Property Company Ltd, the Joint Venture Company delivering the project.

1. Purpose

- 1.1 This paper formally reports to and seeks approval of the request from Photocentric the Joint Venture Partner in the University of Peterborough Manufacturing & Materials Research & Development Centre Project to purchase an additional £1.13 million shares in the joint venture, increasing the total project budget by an additional £1.13m and allowing for the scope of the building to be increased correspondingly.
- 1.2 If accepted, Photocentric will invest a total of £3m, bringing the total equity in the joint venture company to £16.47m and Photocentric's share in the company to 18.2%, compared to the existing equity funding approved to the project of £15.34m investment of which Photocentric would own 12.2%.

2. Background

- 2.1 On the 5th November 2020 the Mayor using his general power of competence, having consulted with the Combined Authority Board Members at the Leaders' Strategy Meeting on 28th October 2020 approved £14.6 million Getting Building Funding into the University of Peterborough Manufacturing & Materials Research & Development Centre Project.
- 2.2 Since the approval, activity has commenced including the enabling groundworks for this project (linked to University phase 1 groundworks happening at same time), final design works, preparation for submission of the planning application, and the Centre operator procurement notice being released.
- 2.3 A condition on the award of the Getting Building funding was the approval of the Joint Venture Business Plan before final release of the Getting Building Fund can proceed, this business plan has been completed ready for approval and it has been during this process of agreeing and formalising the business plan that Photocentric have made the request to invest additional funding above their original investment of £1.87 million to make a total of £3 million.
- 2.4 Photocentric made the formal change request to increase their investment on the 20th November. This would increase the total project budget from £18.37 million to £19.5 million. The funding contributions from the partners involved in the project would be as per table below, the increased figure is in italics:

Revised Whole Project Funding Totals		
Equity investment into joint venture	CPCA via Getting Building Fund	£13,469k
	<i>Photocentric (per change request)</i>	<i>£3,000k</i>
	Total equity in Joint Venture	£16,469k
Enabling infrastructure funding, delivered by Peterborough City Council (PCC)	CPCA via Getting Building Fund	£827k
	PCC	£1,900k
	Total infrastructure funding	£2,727k
CPCA direct costs (staff, legal support, etc)		£304k
Total		£19,499k

- 2.5 The increased investment would allow for the overall size of the new centre building to be enlarged by an increased footprint and expansion of all 3 floors, this results in increasing the Lettable Area by 16% from 1657m² to 1924m²

- 2.6 The building specification is not only increased in size, but the revised building plan has been value engineered, without any sacrifice in quality, meaning the actual build spend decreases from £4,105 per metre construction cost to £3,887 per metre.
- 2.7 As was set out in the paper at this meeting regarding the business plan of PropCo 2, subject to a state aid analysis, the intention is that Photocentric will forego their rights to dividends, or other financial proceeds, from the renting of the building and are, instead, being granted space in the building at a peppercorn rate (i.e. £1 per annum) equal to the percentage of shareholding.
- 2.8 The space available to Photocentric at this rate is equivalent to the proportion of their overall ownership in the joint venture. As such, by increasing their shareholding from 12.2% to 18.2% they will increase the office/lab space available to them in the eventual building at the peppercorn rent rate, but it is their intention to occupy the whole top-floor of the building with the remainder of the space leased at market rates.
- 2.9 The increased building scope, enabled by the increased investment, would provide for additional floorspace for Photocentric to occupy as tenant while also increasing the lettable space available for market rent by 119m².
Under the revised agreement, Photocentric would secure 18.2% of lettable space (349m²) at peppercorn rent while the additional space they require above that is a further 21.2% (414m²) which would be charged to them at a commercial rate.
- 2.10 A comparison of the costs and benefits of the investment below which sets out the difference between the two Photocentric investment scenarios and confirms that the Combined Authority is not disadvantaged as a result of the increased investment.

Analysis of increased Photocentric investment	Scenario 1	Scenario 2	Comments
CPCA Investment via Getting Building Fund	£13.47m	£13.47m	Equity investment into Joint Venture Company to deliver building
Photocentric Investment	£1.87m	£3m	Both include c.£387k for purchase of land. Any saving due to land costing less than estimate would be reinvested
Photocentric (shareholder) share	12.20%	18.20%	Investment is into whole project costs of build programme
Phase 2 – gross size in m2	2954	3283	Increase in Gross of 10%
Phase 2 – lettable space in m2	1657	1923	Increase in Lettable of 16%
Photocentric space at peppercorn rent in m2	202	349	Photocentric gains 18% space at peppercorn rent
Total Letting space available for commercial rental income in m2	1455	1574	Total letting space increases by 266m2 from which Photocentric gains 147m2 and the balance for commercial rented space increases by 119m2

- 2.11 Project delivery remains on target for occupation from September 2022 plus the Getting

Building Fund spent by end of March 2022, Design work and planning application is not delayed by the change in specification because of the additional investment.

- 2.12 The Business Board is asked to recommend that the Combined Authority Board recommend approval of the project change request from Photocentric to increase their equity investment into the joint venture from the current proposed £1.87 million to a total of £3 million.
- 2.13 The Business Board is asked to recommend the Combined Authority Board note the new revised total budget and proposed new shareholding in the Joint Venture Company delivering the project.
- 2.14 Any future requests from Photocentric for additional investment into the Peterborough R&D Property Company Ltd that adjusts the shareholding will be have to be considered by the Combined Authority Board as the main shareholder in this joint venture.

Significant Implications

3. Financial Implications

- 3.1 It is not possible to establish the detailed financial implications of the proposed project change, as only the agreed project proposal will be taken forward through procurement of a building operator. However the revised proposal includes an increase in overall floor space available for market rent, whilst also improving the green credentials of the building itself, and it is reasonable to assume that this would result in an increase in the potential financial return that could be achieved by letting out the asset.
- 3.2 As the CPCA would be entitled to all the profits from the company from the asset, the proposed change is likely to have a positive financial impact on the CPCA's position for no additional public funding whilst improving the outcomes in terms of total lettable space for SMEs and zero carbon technology start-ups.

4. Legal Implications

- 4.1 The Combined Authority will remain the majority shareholder in the Peterborough R&D Property Company Ltd. The reduced percentage of Combined Authority shareholding in the company equates to an increased overall Lettable area for each partner in the larger expanded property asset owned by the company.

5. Other Significant Implications

- 5.1 None.

6. Appendices

- 6.1 Appendix 1 – Revised Project Funding Budget Profile
- 6.2 Appendix 2 – Revised High-Level Plans Building Area Increase

7. Background Papers

- 7.1 Paper 3.2: Allocation of Getting Building Fund, Combined Authority Board 25th November 2020
[3.2 Allocation of Getting Building Fund](#)
- 7.2 Local Growth Fund Application Documents, Investment Prospectus, guidance and application forms,
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/>

Budget Cost Plan

University of Peterborough - Phase 2 Development

for

Cambridgeshire & Peterborough Combined Authority (CPCA)

Date: 26 November 2020
Revision: A

Project Nr: 36117
Prepared by: Adam Hope

Signed: Adam Locke

Reviewed: Adam Locke

Mace Limited
Enterprise House
115 Edmund Street
Birmingham
B3 2HJ
Tel: 0121 212 6100

1. Introduction

- 1.1 This Budget Cost Plan is for the Phase 2 development of the new University of Peterborough. The proposed GIFA is 3284m2.
- 1.2 The estimate represents the anticipated construction cost assuming a competitive 2-stage procurement method under a D&B form of contract
- 1.3 This estimate is indicative only, and has been developed following measurement of the RIBA Stage 2 design based on a building of approx. 3000m2, and increased pro-rata to account for a larger building size of 3284m2 GIFA.
- 1.4 The building assumes general shell & core construction, with fit out to the landlord areas, and Photocentric occupied areas. All future lettable areas are assumed to be fitted out by the respective tenant.
- 1.5 In the absence of design and usage requirements from Photocentric we have assumed there are no abnormally onerous requirements on the structures, services and environment
- 1.6 The budget is based upon the funding streams noted within this report - please refer to the Project Funding Summary for information

2 Information used

- 2.1 The cost estimate is based upon the RIBA Stage 2 design for a 3000m2 building, issued 11/11/20, and has been increased on a pro-rata basis to account for the increase in building size. Mace have not received a revised design for the larger building and have based the assessment of cost on the design principles of the previous RIBA Stage 2 design information. Please refer to the Mace RIBA 2 Cost Plan for full details of the design information used. The increase in area has been based upon the following document:

[0393-MCW-ZZ-ZZ-PP-A-0012-S2-P01_Area Increase.pdf](#)

3 Assumptions

The following assumptions have been made:

- | | |
|--|--|
| <p>3.1 The building is for general R&D use</p> <p>3.2 The site is relatively flat with no demolitions required</p> <p>3.3 BREEAM accreditation shall not be targeted</p> <p>3.4 The base date for the estimate is 3Q20</p> <p>3.5 The works are to be completed within one single phase</p> <p>3.6 Section 106 contributions will form two permanent bus stops only; car parking enhancements to the wider scheme shall form a separate project</p> <p>3.7 The contractor will complete the design from RIBA stage 4</p> <p>3.8 We have assumed ground conditions to be made ground, non-hazardous material</p> <p>3.9 FF&E requirements to be defined in conjunction with CAT B fit out works</p> <p>3.10 We have assumed no further parking requirements outside of the boundary for the purposes of this phase. Please refer to comment 3.6</p> <p>3.11 Photocentric contribution for sustainability enhancements are a variation to this cost plan and are excluded</p> <p>3.12 The Building works cost is deemed to include any making good required to the regional pool car park to maintain its current condition only</p> | <p>3.13 Building works deemed to include for incoming services including new substation; water; gas; electric; comms.</p> <p>3.14 Client consultant fees TBC</p> <p>3.15 We have assumed Photocentric will work to the budget available for fit out</p> <p>3.16 Building design shall be based on a RIBA 3 design for a Shell & Core building with following design development of RIBA 4 with Photocentric to develop fit out works programme, as dictated by timescale constraints</p> <p>3.17 We have assumed Main Contractor pre-construction fees to be included within the Construction Works Total</p> <p>3.18 We have assumed Main Contractor design fees to be included within the Construction Works Total</p> <p>3.19 It is assumed VAT shall be recoverable, as directed by CPCA</p> |
|--|--|

4 Exclusions

The following items are not included in this estimate of construction cost and allowance should be made elsewhere:

- 4.1 Works to neighbouring properties / boundary wall agreements
- 4.2 External works outside of site boundary / works area
- 4.3 Renewable technologies other than any required to achieve statutory compliance
- 4.4 BREEAM, LEED, WELL and other sustainability accreditations
- 4.5 Excessive site dewatering works
- 4.6 Abnormal ground remediation Inc. asbestos.
- 4.7 External Infrastructure improvements
- 4.8 Services diversions
- 4.9 Works to satisfy any onerous planning conditions
- 4.10 Any costs associated with the running/management of "PropCo 2"
- 4.11 Land acquisition, taxes, stamp duty and associated costs

Exclusions (cont.)

- 4.12 Any costs associated with the regional car park purchase or lease
- 4.13 Equipment to maintain and clean the facility
- 4.14 Specialist equipment or Tennant fit out works - assumed funded by tenant
- 4.15 Ground contamination forming a excavate and replace strategy
- 4.16 Archaeology, invasive species, excessive ground water and any obstructions found within the ground
- 4.17 Party Wall awards, rights of light, boundary disputes and the like associated
- 4.18 Any works to the existing tree belt as this falls outside of the red line boundary.
- 4.19 Any cost uplifted associated with net zero carbon or enhanced sustainability requirements. We have assumed these, if required, will be funded by TWI/Photocentric
- 4.20 Stamp duty could be required to be paid twice in the transfer from PropCo 1 to PropCo 2 . We have assumed CPCA will cover such costs from funding outside of this budget

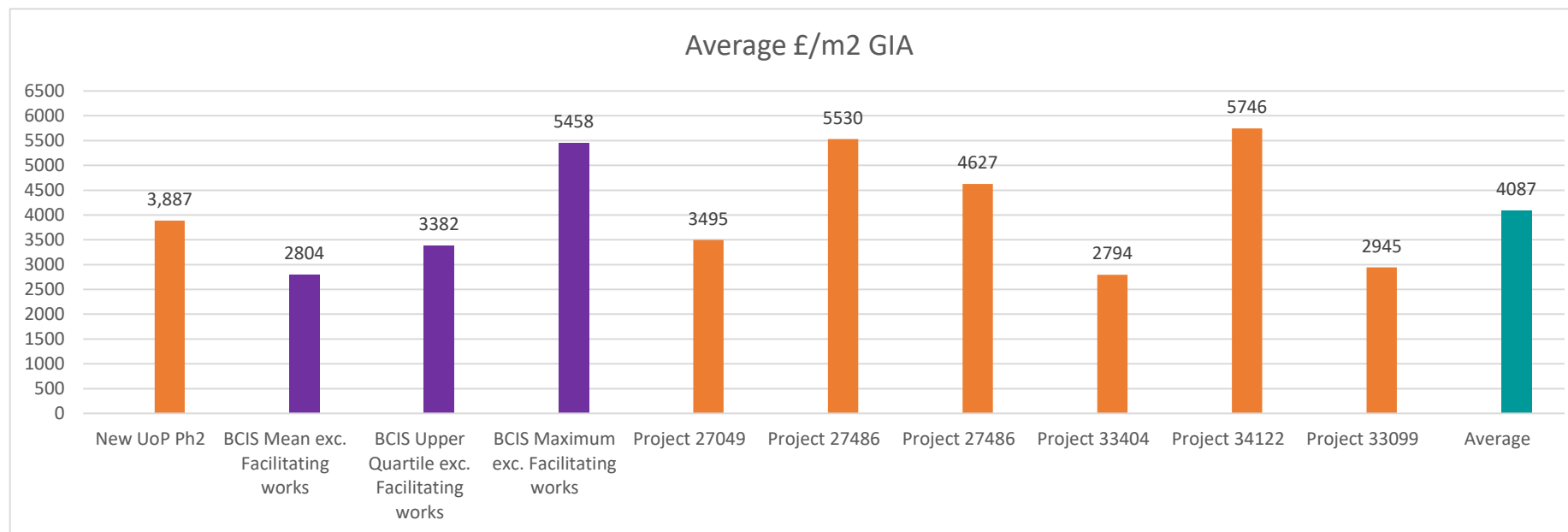
Description	Funding Amount (£)
Phase 2 Building	
CPCA via GBF	13,773,000
Photocentric investment to Ph2 building	2,510,000
Subtotal - Phase 2	16,283,000
Photocentric sustainability extras	300,000
Photocentric land purchase (TBC by CPCA)	190,000
Total extras to Phase 2	490,000
Car Parking Project	
PCC infrastructure contribution	1,900,000
CPCA infrastructure contribution (GBF)	827,000
Total	2,727,000

Funding Totals - All amounts to be confirmed by CPCA	
CPCA (via GBF)	14,600,000
Photocentric	3,000,000
PCC	1,900,000
Total	19,500,000

		Phase 2 Building - Increased Area (3284m2)			Phase 2 Building - RIBA 2 Design (2954m2)			Change £
Elem Ref		Cost Target £	£ / m ²	£ / ft ²	Cost Target £	£ / m ²	£ / ft ²	
0-11	Construction Works Total	£ 12,765,983	3,887	361	12,127,539	4,105	381	638,444
12	Fees & Surveys	£ 1,809,637	551	51	1,762,057	596	55	47,579
	Client Design Team RIBA 1-3	423,831	129	12	403,073	136	13	20,758
	Client Team Monitoring Fees RIBA 4-7	510,639	155	14	484,952	164	15	25,687
	Other Consultant Services	50,000	15	1	50,000	17	2	0
	Legal Support	300,000	91	8	300,000	102	9	0
	CPCA Support Staff	304,167	93	9	304,167	103	10	0
	Planning Fee	21,000	6	1	19,866	7	1	1,134
	Misc. Surveys	200,000	61	6	200,000	68	6	0
13	Client Directs	£ 250,000	76	7	250,000	85	8	0
	Loose FF&E, AV and Active ICT to ground floor	250,000	150	7	250,000	85	8	0
14	Client Contingency (applied to 0-12)	1,457,562	444	41	1,133,403	384	36	324,159
15	Cost Limit (Excluding Construction Inflation)	£ 16,283,182	4,958	461	15,272,999	5,170	480	1,010,182
16	Inflation - excl. due to uncertainty in the 2021 market	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
17	Other Client Costs	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
18	Estimated Outturn Costs (Excluding VAT)	£ 16,283,182	4,958	461	15,272,999	5,170	480	1,010,182
	VAT Assessment (applied at the prevailing rate)	20% 3,256,636	992	92	3,054,600	1,034	96	202,036
	VAT Recovery (Assumed by CPCA - TBC)	-3,256,636	-992	-92	-3,054,600	-1,034	-96	-202,036
19	Estimated Outturn Costs	£ 16,283,182	4,958	461	15,272,999	5,170	480	1,010,182
	Budget	£ 16,283,000			15,273,000			1,010,000
		GIFA		GIFA	GIFA	GIFA		
		3,284 m2		35,349 ft2	2,954 m2	31,797 ft2		

Client Other Costs - Excluded

CPCA Contribution to infrastructure (£827k)	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
PCC Contribution to infrastructure (£1.9m)	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
Photocentric purchase of land (£190k)	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
Photocentric sustainability extras (£300k)	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded



Project Ref	Sub-Sector	Type	Fit-out	GIFA	£/m2
New UoP Ph2	Research Facilities	New build	Fitted out	3284	3,887
BCIS Mean exc. <i>Facilitating works</i>	Research Facilities	New build	Fitted out	N/A	2804
BCIS Upper Quartile exc. <i>Facilitating works</i>	Research Facilities	New build	Fitted out	N/A	3382
BCIS Maximum exc. <i>Facilitating works</i>	Research Facilities	New build	Fitted out	N/A	5458
Project 27049	Research Facilities	New build	Fitted out	7535	3495
Project 27486	Research Facilities	New build	Fitted out	7400	5530
Project 27486	Research Facilities	New build	Fitted out	5600	4627
Project 33404	Industrial	New build	Fitted out	4857	2794
Project 34122	Research Facilities	New build	Shell & core	1252	5746
Project 33099	Research Facilities	New build	Fitted out	6150	2945
Average					4087



MCW
mosescameronwilliams

Peterborough Phase 2 Building

Area Increase
16th November 2020

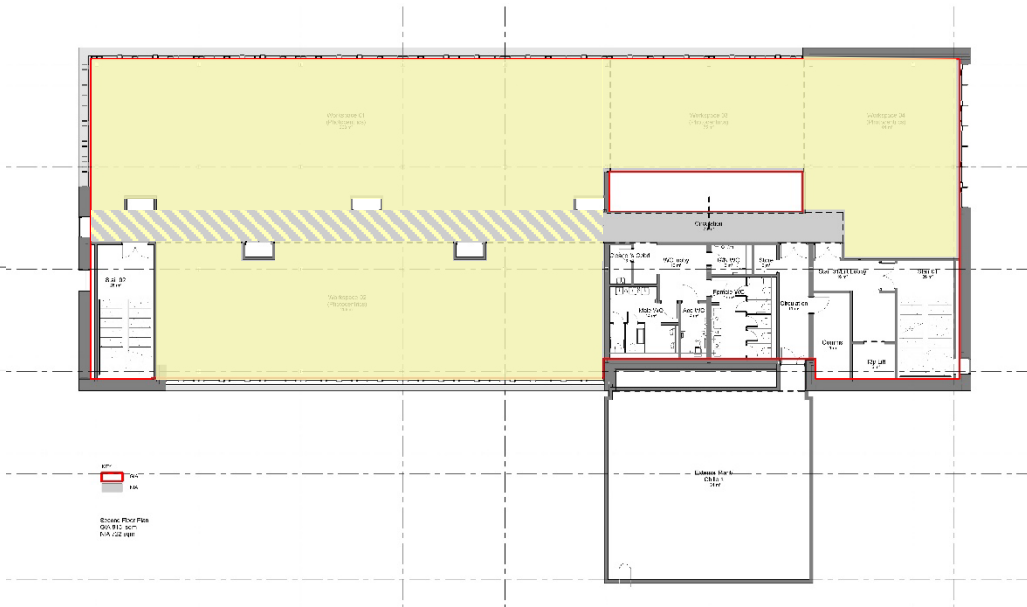
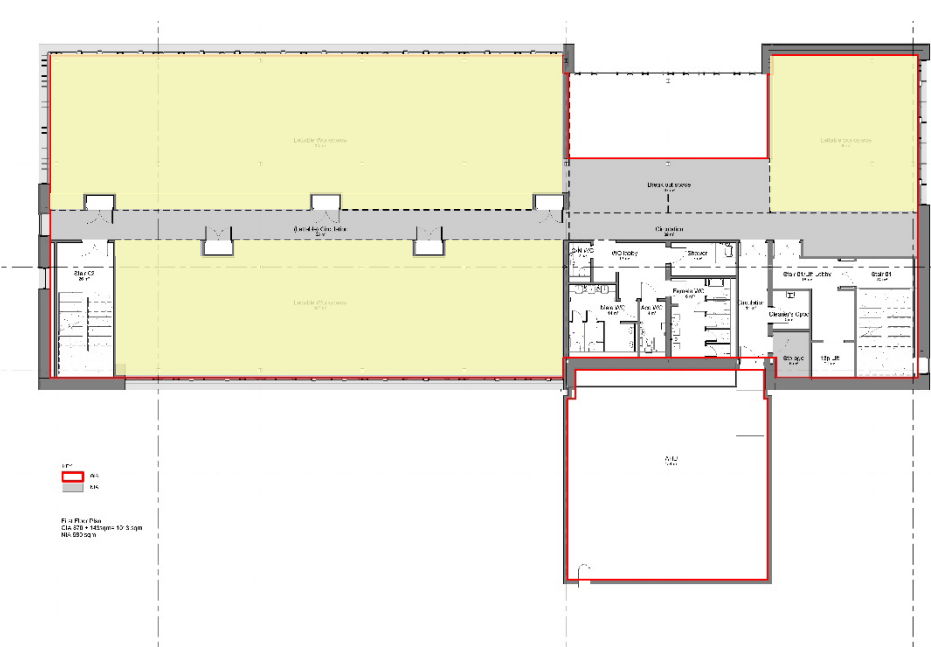
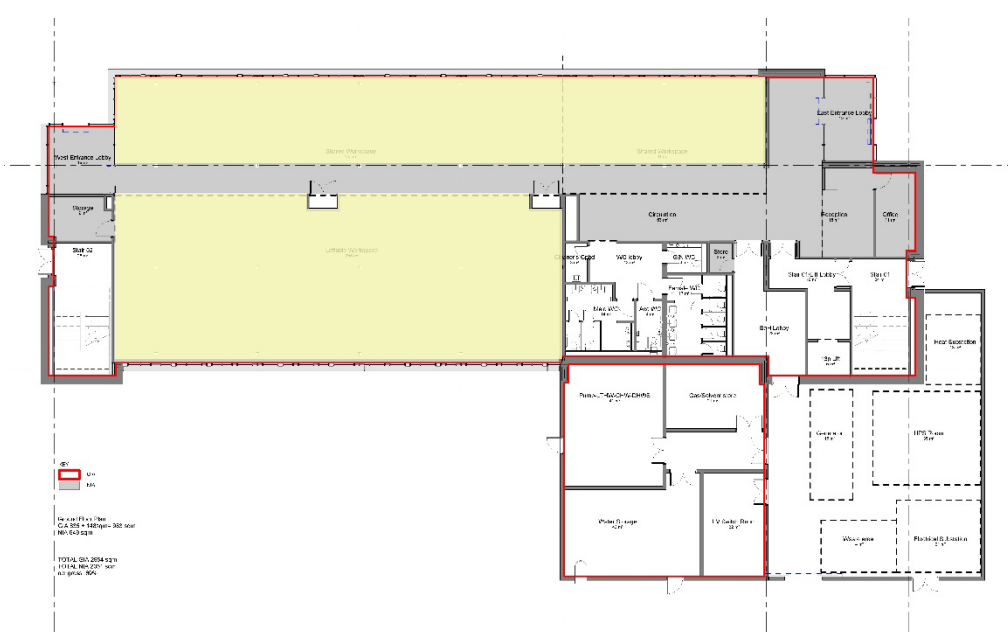
Stage 2- Proposed Site Plan



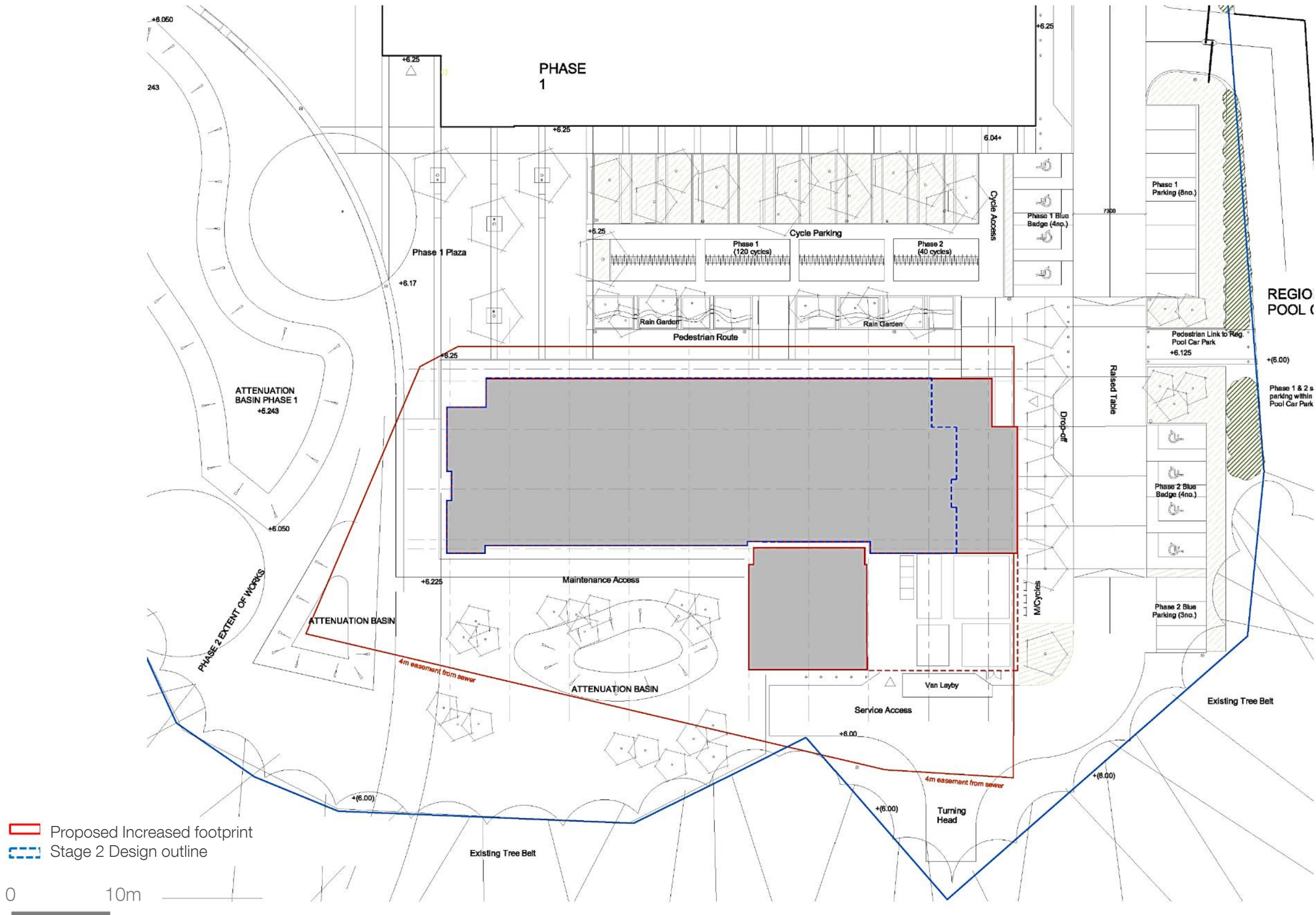
Stage 2 Design

Summary

GIA 2954 sqm (includes 43sqm roof)
NIA 2051 sqm
Net: gross 69%
Lettable 1657 sqm
Photocentric (652sqm): total lettable 39%



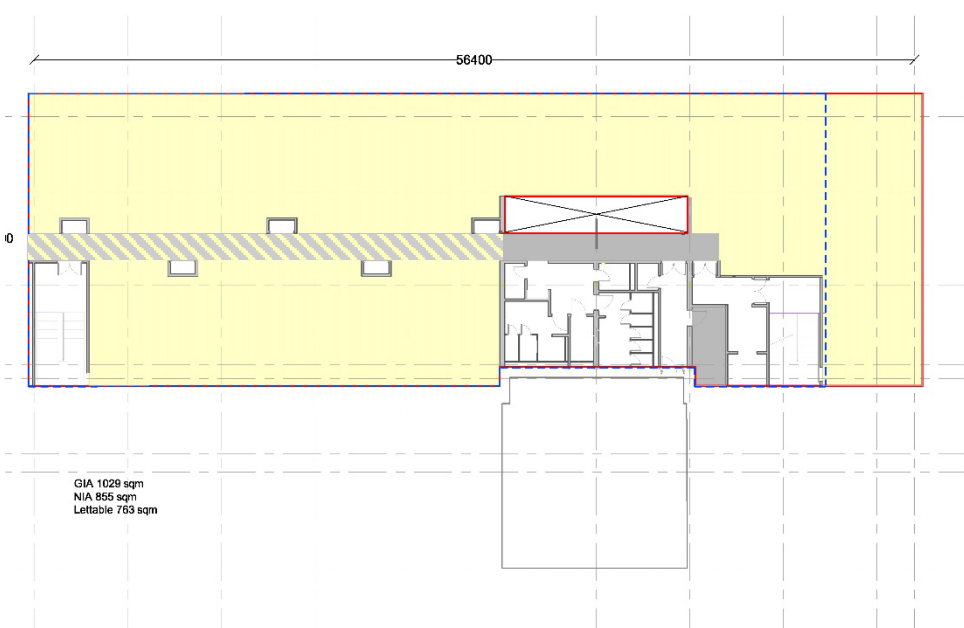
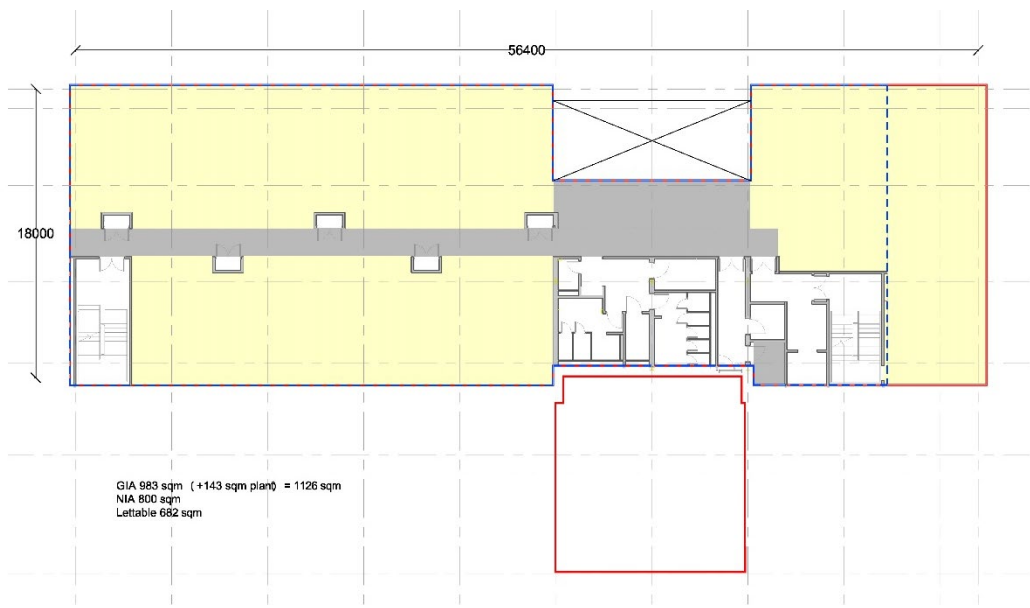
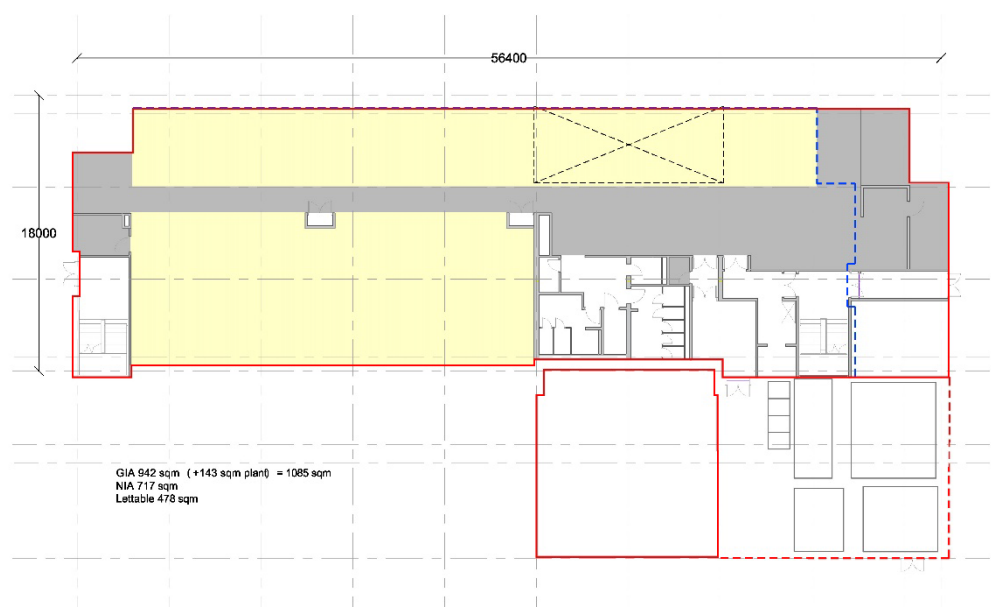
Op1- Increase to East_Site Plan



Op1- Increase to East_Area overview

Summary

GIA 3283 sqm (includes 43sqm roof)
NIA 2372 sqm
Net: gross 72%
Lettable 1923 sqm
Photocentric (763sqm): total lettable 39%

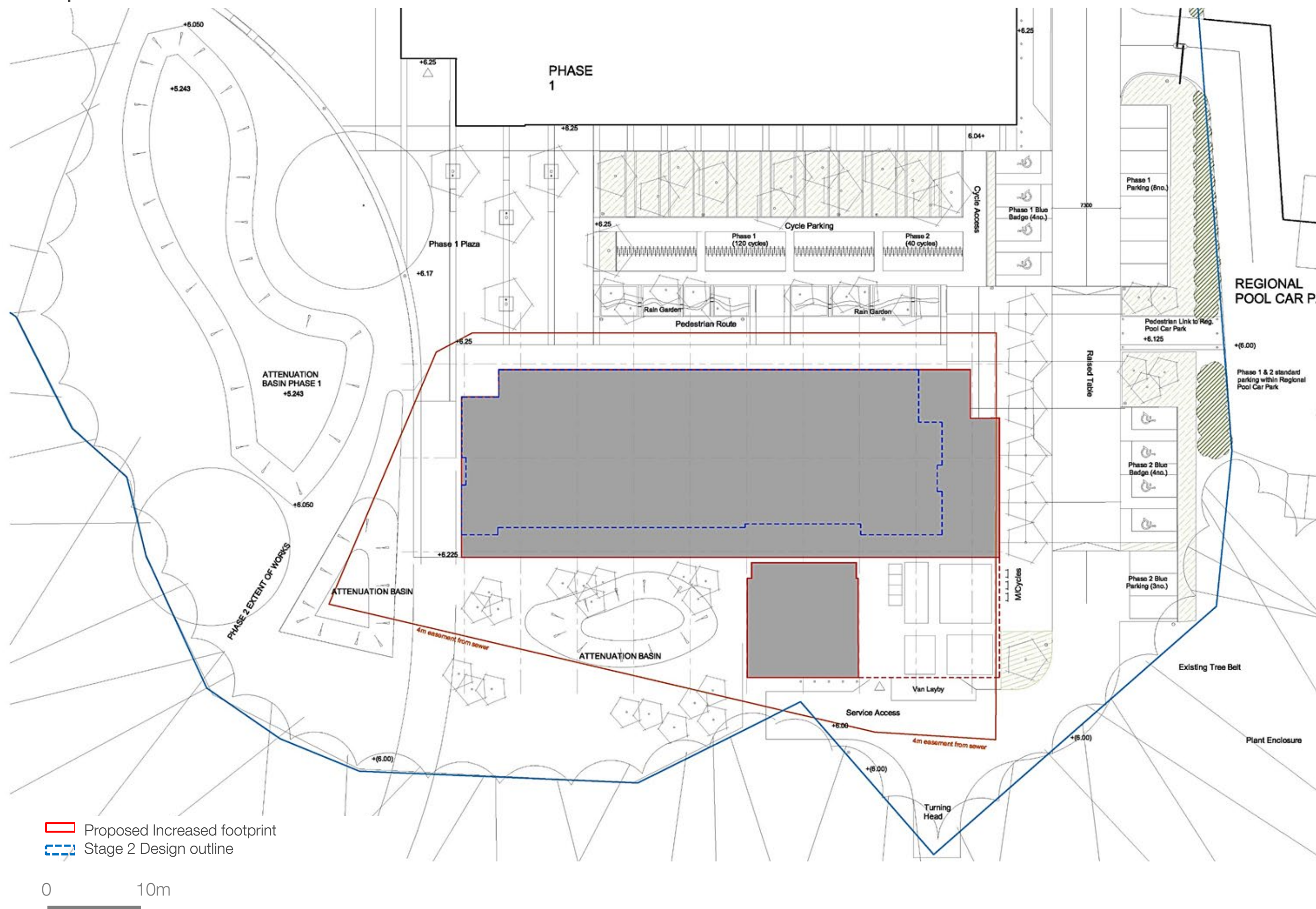


- Ground Floor**
- GIA 942 + 143 plant = 1085 sqm
 - NIA 717 sqm
 - Lettable 478 sqm
 - Stage 2 Design outline

- Frist Floor**
- GIA 983 + 143 plant = 1126 sqm
 - NIA 800 sqm
 - Lettable 682 sqm

- Second Floor**
- GIA 1029 sqm
 - NIA 855
 - Lettable 763 sqm

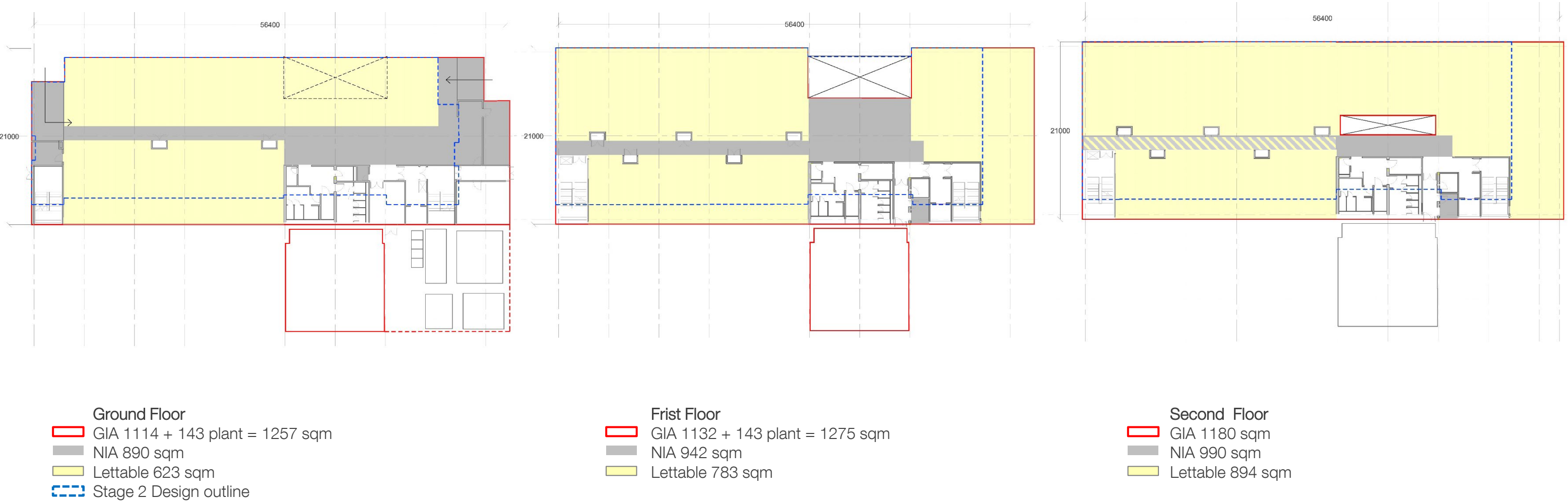
Op 2- Increase to East and South _Site Plan



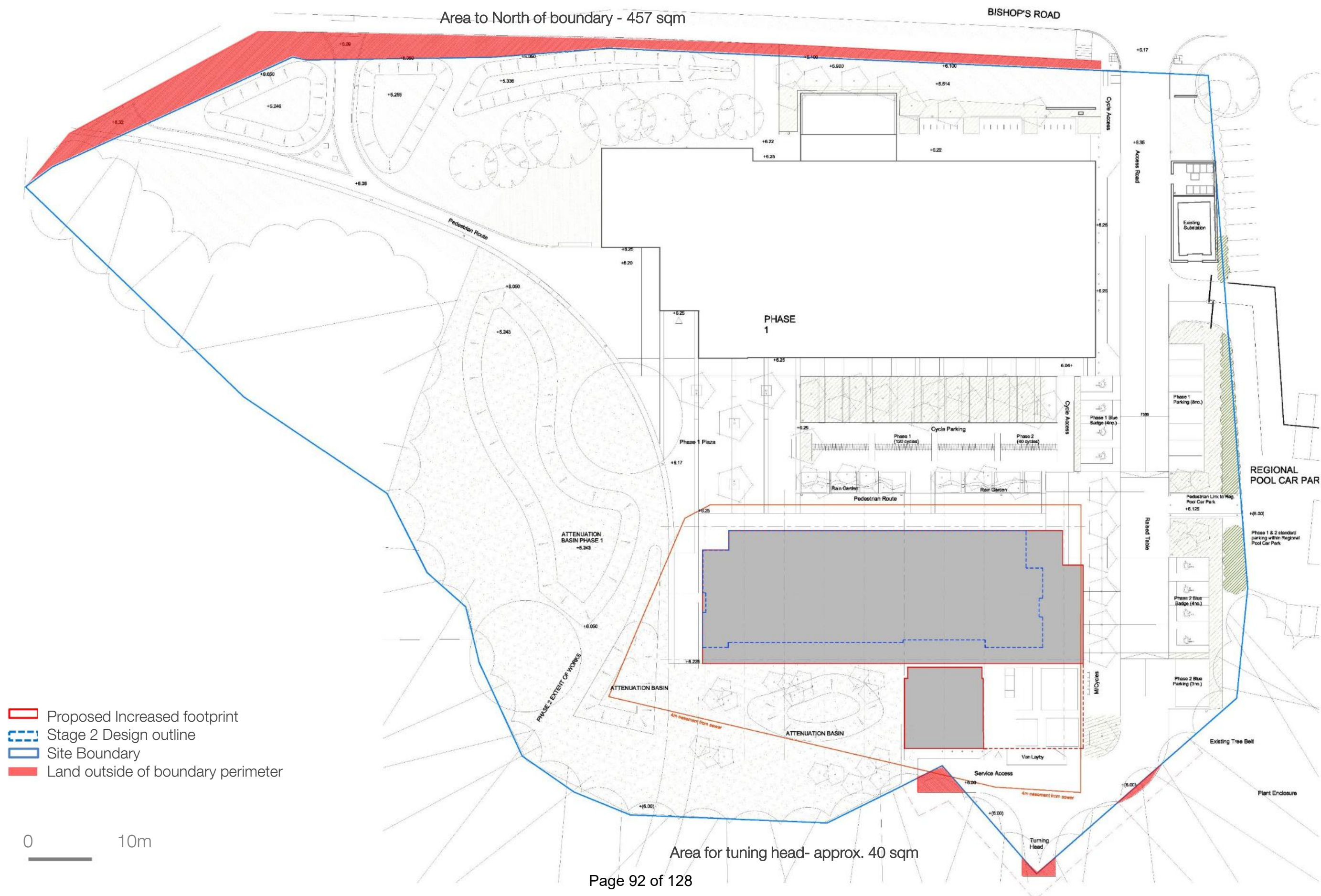
Op 2- Increase to East and South_Area overview

Summary

GIA 3755 sqm (includes 43sqm roof)
NIA 2822 sqm
Net: gross 75%
Lettable 2300 sqm
Photocentric (894sqm): total lettable 38%



Op 2- Increase to East and South_Land outside boundary



Summary

	Stage 2 design	Op 1_ East	Op 2_East+South
GIA	2954	3283	3755
NIA	2051	2372	2822
Net: gross	69%	72%	75%
Lettable	1657	1923	2300
Photocentric: lettable	39%	39%	38%

LEP Partnering Strategies

To: Business Board

Meeting Date: 12 January 2021

Public report: Yes

Lead Member: Austen Adams, Chair of the Business Board

From: John T Hill, Director of Business & Skills

Key decision: No

Recommendations: The Business Board is invited to:

- a) Note the current collaboration and best practice sharing between OxCam LEPs on local economic recovery planning; and
- b) Recommend that the Combined Authority Board approve the Partnering Strategies approach between the Business Board and:
 - i) The OxCam LEPs;
 - ii) NALEP, GLLEP & SEMLEP; and
 - iii) The LEP Network.

1. Purpose

- 1.1 To provide a summary of the collaboration ongoing between the Business Board and strategic partners within the LEP network, including the LEP Network itself.

2. Background

- 2.1 The CPCA's Business Board effectively acts as part of the national Local Enterprise Partnership network and delivers business support and investments to stimulate growth that is both greener and provides for greater levelling-up. To ensure that it does this in the most effective manner, it is important that it creates and shares, both new opportunities and delivery best practice between it, and other strategic partners within the LEP network. Hence, Officers propose to develop partnerships with specific LEPs designed across three timeframes:
- 2.2 **The Short Term** over the next 3 months, in which the focus will be on collaboration to share best practice between OxCam LEPs on local economic recovery planning. All have produced recovery strategies for Board approvals during November, and work will focus in the period December to February, on sharing economic impact insight and data, as well as early indications of the impact of the interventions within each LEP recovery strategy. This collaborative and co-creative approach to recovery planning, will feed into the CPCA's revised Local Economic Recovery Strategy, due for Board consideration in March 2021.
- 2.3 **The Medium Term** over the next 12 months the OxCam LEPs will demonstrate the value-add that the Arc provides to the UK, in strengthening longer-term national recovery, through the Arc's innovation assets and its ability to lead a net-zero technology-based recovery that "grows back greener". Collaborating in joint, large-scale and ambitious projects across the Arc, is proposed, to generate, for the CPCA and its local partners, greater allocation of resources through the Comprehensive Spending Review's focus on innovation, green recovery and levelling-up, than would otherwise have been the case, through a local-only approach. Hence, medium term partnering across the OxCam Arc is better not just for the national, but also the regional and local economies, offering economies of scale and greater ambition for all partners. Over this medium term, and as more data becomes available on the performance and efficacy of the Local Growth Fund investments made by the Business Board, we will seek to create and develop benchmarking and best practice sharing on the performance of the Business Board's interventions in comparison with other LEPs.
- 2.4 **The Longer Term** over the next 36 months, in which the focus will be on the implementation and mobilisation of the large-scale programmes across the OxCam Arc, in which Cambridgeshire & Peterborough local partners are involved. Delivery focus will also include the potential continuation and expansion of the AgriTech Growth Initiative with NALEP, SEMLEP and GLLEP. In addition, it will include collaboration across the wider LEP Network to implement the insight gained through Peer-to-Peer LEP benchmarking and best practice sharing, into the design and mobilisation of new interventions.
- 2.5 The goal of these various strategic partnerships will be to enable the Business Board to plan for short-term rebound and for longer-term regrowth, that goes beyond a "recovery" and instead focuses on opportunities to "build back better" through the development of a refreshed Local Industrial Strategy that identifies further interventions to enable more ambitious commitments to:

- Greening our economy in terms of carbon impacts locally, and a shift towards a net-zero carbon economy nationally and globally, through our leadership in technological innovation in the field.
- Levelling-up our economy in terms of GVA per head across our districts and the provision of greater opportunity for career and skills progression, delivering increased social mobility, well-being and health outcomes in the north, where they are lowest.

3. Partnering Across the OxCam Arc

- 3.1 The agreed vision for the Arc is to be a global hub for innovation, and home to exemplary models of green development that will inspire communities around the world. Within each of the economies of South East Midlands, Oxfordshire and Cambridgeshire & Peterborough, there are examples of world-leading innovation across multiple sectors that can, and are, delivering prosperity for the UK.
- 3.2 The Arc has a population of nearly four million people and is the location of firms and other employers that provide two million jobs, which together, generate £110 billion of economic output each year. The area has an incredible tradition of bringing the best minds together to create solutions to the most complex challenges. It is home to some of the world's greatest innovators who transform lives with their ideas, entrepreneurs who have created world leading products and services, and researchers and academics who are at the frontier of human discovery. It has produced more start-ups that have reached \$1 billion capitalisation (so called unicorns) than any other region of the UK, including London. It is also one of the few regions of the UK that is fiscally positive to the Treasury.
- 3.3 Within the Arc, Cambridgeshire and Peterborough is the outstanding growth engine, providing 43% of the Arc's growth in GVA and 31% of its employment growth between 2014-18, whilst constituting only 23% of its population. There is no reason to believe that the COVID-linked economic contraction has changed the fundamentals that drive Cambridgeshire and Peterborough's exceptional economic performance; if anything, the current challenges only underline the competitive edge which a strong innovation economy will give in the future.
- 3.4 The agreed ambition for the Arc is to unlock the potential of its scientific, technological and sector-based assets to create a world leading innovation economy. To this end, it intends to place increased focus on its strategic innovation infrastructure, to put the Arc at the centre of the government's ambition under the R&D Roadmap for the UK to be a world leading science superpower. This involves the development of five ambitious initiatives to network, integrate and enhance innovation assets across the Arc to produce:
 - 3.5 **A Life Science Innovation Network** to build on the world-leading capability of the clusters around Oxford and Cambridge, which have been central to the UK's response to the COVID-19 crisis.
 - 3.6 **A Sustainable Aviation Network** to forge a pathway towards zero-carbon aviation, delivering a leadership position for the UK in the evolving global market of 'green' aviation.
 - 3.7 **A UK Space Gateway** to maximise the global potential of the Harwell Space Cluster and rocket propulsion and testing capability at Westcott Venture Park to position the UK as a

market leader in space technologies.

- 3.8 **A Future Mobility Network** to strengthen the Arc as the UK's hub for the development, testing and rollout of Connected and Autonomous Vehicles (CAV) and underpinning technologies.
- 3.9 **Zero Carbon Energy Network** to accelerate solutions to tackle climate change and enable us to advance towards a zero carbon Arc.
- 3.10 The focus of the Business Board's collaboration with SEMLEP and OxLEP will be to support the development of the initiatives for Life Science, Sustainable Aviation and Future Mobility, providing funding and convening partners to support the development of strategic outline business cases for submission into the 2021 Comprehensive Spending Review.
- 3.11 In the case of the Future Mobility Network this will involve the convening of partnerships between TWI in Cambridge, in the development of electric vehicle battery case manufacturing technologies, with facilities for emissions testing at Millbrook Proving Ground, CAV testing at Cranfield and Milton Keynes, the national CAV test centre at Culham Science Park and the pioneering work of companies such as Photocentric in Peterborough, in the development of 3D battery printing technology. The activity in our area will be spread across the TWI centre at Granta Park and a potential new TWI satellite on the evolving Peterborough university and research campus. On the new Peterborough Campus work will focus on friction stir welding and 3D printing technologies, and will potentially include a joint £50m Innovate UK and TWI Member funded research programme, a £20m CPCA investment in the new Peterborough campus research building and associated research facilities, £20m of UK Research Council and EU research Framework funding, as well as £5m of public-private sector start-up investment as a tech-Accelerator.
- 3.12 In the case of the Life Science innovation network, the specifics are less well defined currently. However, it will involve greater collaboration between the Life Science universities and associated business clusters of Cambridge and Oxford, generating increased opportunities for greater collaboration, accelerating innovation and the commercialisation of discoveries through the scaling up of high growth spinout companies.
- 3.13 In the case of the Sustainable Aviation network this will involve three centres collaborating across the Arc; the UK Zero Carbon Airport and Aviation Centre based at Cranfield's Global Research Airport, the Oxford Thermo-fluids and Energy Institute and the National Centre for Propulsion and Power at the New Whittle Laboratory in Cambridge.

4. Partnering Across the Rural Economy

- 4.1 Our rural economy is recognised as having significant strengths in arable crops and horticulture, and to a lesser extent, in pigs and poultry. All are supported by strong supply chains including food processing and distribution hubs, as well as a large stock of Grade 1 Fenland. In addition, the economy has significant strengths in science and research around crop breeding, crop protection and agri-tech innovation. This includes academic and independent research centres at Cambridge University, NIAB and Agri TechE, which also exploit synergies in the region's strengths in bio-tech and artificial intelligence. There are loose networks in the sector across the wider East Anglia area and into the Midlands and

Lincolnshire. However, the sector needs more formal networks to link innovators, scientists and businesses with technology and finance.

- 4.2 The Eastern Agri-Tech Growth Initiative, was established to bridge this networking gap and to offer firms financial support to innovate and grow. It brings together leading agriculture, research, science and technology assets in the East of England to strengthen a nationally significant, vibrant cluster that brings a truly global reach and impetus to the developing UK Agri-Tech sector. Grant funding from the Business Board provides a significant boost to the sector by supporting businesses looking to invest in specialist equipment; new market and supply chain development; ways to improve productivity and efficiency, and the application and commercialisation of Research and Development.
- 4.3 The Initiative already benefits from a strong partnership with the New Anglia Local Enterprise Partnership (NALEP) and is delivered across our joint area. NALEP and the Business Board partner to promote directly to businesses across the food, drink & horticulture value chain as well as working through key intermediaries including banks, accountants and sector specific consultants. The Initiative has two main funds:
- An Agri-Tech Growth Fund which provides grants of between £10,000 and £150,000 to increase productivity through new or improved products or processes.
 - An R&D and Prototyping Fund which provides grants of between £10,000 and £60,000 to support the development of novel technologies, products or processes for the sector.
- 4.4 The scheme has now closed to applicants and has provided 120 grants, totalling just over £6.9m and stimulating £17.3m in private sector investment into equipment, facilities and research. This has generated 770 new and safeguarded jobs.
- 4.4 The Business Board and NALEP partner in the governance of the initiative through the Eastern Agri-Tech Programme Board. The Programme Board has been given delegated authority to take decisions on applications for grant support on behalf of the Business Board and NALEP. Both are represented on the Programme Board. A Member of the Business Board Chairs the Programme Board. Martin Lutman, the CPCA's Agri-Tech Specialist, manages the scheme on behalf of the Business Board and NALEP and acts as the Secretariat to the Programme Board. The CPCA is the Accountable Body for the Initiative.
- 4.5 The current scheme will close and all expenditure completed by 31st March 2021. However, it is proposed that a wider partnership is explored to include NALEP, SEMLEP and GLLEP to extend the span, scale and the scope of the initiative. Early stage discussions are underway, and subject to approval of this strategy, will be developed towards a coordinated set of applications for Shared Prosperity Funding, to each of the four Boards' for a joint Rural Growth Initiative across Cambridgeshire, Norfolk, Suffolk, Lincolnshire, Northamptonshire and Bedfordshire.

5. Partnering Across the Wider LEP Network

- 5.1 As part of the Business Board's Continuous Improvement Process, applied to its development of strategy, intervention design, delivery and monitoring, it is essential that it is provided with high quality data to benchmark its performance against peer organisations. To provide this, officers have evaluated and assessed the 2019 Peer-to-Peer Review in which all LEPs were paired to explore issues arising from the 2018 Annual Performance

Reviews across the LEP network. The CPCA Business Board were not involved in this, due to it not having been in operation for sufficient time.

- 5.2 Based on this learning, it is proposed that the Business Board partners with the West of England LEP and Combined Authority during 2021, as part of the LEP Network, Peer-to-Peer Review, to assess the Business Board's level of effectiveness and efficacy in delivering its programmes, its timeliness and effectiveness of response to the COVID-19 pandemic and its economic impacts and the effectiveness of its processes and partnerships to develop recovery plans. This will involve a focus on strategic direction and tactical prioritisation in delivery.
- 5.3 Our objective is to conduct the Peer-to-Peer Review with our partner between January and April 2021, alongside, and supportive of, the Annual Performance Review process with BEIS. Issues to be explored will include:
- How robust, but also agile our strategic priorities for economic recovery planning have been in the Covid-19 operating environment and in a rapidly shifting economy.
 - How our pre-existing understanding of risk to the local economy had informed our approach on COVID-19 and how agile our improvements in insight were during the pandemic.
 - How our approach to developing strategy and operational delivery changed as a result of the crisis, and how this informed our recovery plans
 - How our relationship with central and local government changed during the crisis, and how this influenced both the way we thought about recovery planning, and the substance of those plans
 - How we are seeking to change our priorities in consequence of the events of recent months, and how we are articulating that change to our stakeholders locally.
 - How we intend to identify, secure and organise the necessary resources to create a role that places the Business Board in a leadership position for recovery and future growth
- 5.4 The methodology we will adopt will involve three stages; planning and pre-work in the form of data gathering and research, the peer review sessions themselves and post-work involving action plans and follow-up. The peer review sessions will include;
- The Business Board Chair, and Chief Officer
 - Various Senior Responsible Officers with a subject specialism particularly relevant to matters under discussion
 - A representative from business (not board member) who has independent insight into the work of the LEP without being involved in its day to day operations, and
 - A representative of a partner organisation (such as a local authority)
- 5.5 The logic of involving a peer external to the Business Board is to bring into the room individuals with relevant local knowledge but with the independent mindset necessary to

facilitate a more rigorous conversation.

- 5.6 The central challenge for the peer review will be to facilitate a meaningful, robust and challenging assessment of the Business Board's activities relating to both long term economic development and shorter-term economic recovery planning. In line with Government guidelines, a facilitator will be used to:
- Review the information provided and draw out some key themes under each of the strategic heads that provide the focus for the peer review process.
 - Carry out preparatory video conference discussion with the Chair, Chief Officer and the other “external peers” selected to provide a different viewpoint. This is intended to set ground rules and expectations around the need for robust, mutual challenge.
 - Identify which individuals will attend and make clear the roles that the various attendees will perform at the peer review sessions.

Significant Implications

6. Financial Implications

- 6.1 Subject to the availability of fresh funding from Government as part of the announced Shared Prosperity Fund, CPCA Officers will seek to agree with NALEP, SEMLEP and GLLEP Officers, that each will prepare applications for their respective Boards for Shared Prosperity Funds, to relaunch and extend the current Agri-Tech Growth Initiative. This application will be subject to the respective Local Assurance Frameworks and to a joint review with NALEP on the performance and efficacy of the current scheme with recommendations for improvements to be made to any potential future scheme.
- 6.2 Within the current 2020/21 and provisional 2021/22 MTFP, it is proposed to allocate a total of £50,000 across budget lines, to fund the development of two Strategic Outline Business Cases, to be submitted into the 2021 Comprehensive Spending Review. One SOBC will be funded from the Trade & Investment Programme budget line within 2020/21, whilst the other will be from the Shared Prosperity Pilot Fund in 2021/22, subject to Board approval of the draft budget. These SOBCs will request increases to the CPCA's allocation of the Shared Prosperity Funds to fund strategic elements of the following OxCam Innovation Initiatives, to be delivered Cambridgeshire & Peterborough. These include:
- 6.3 The OxCam Sustainable Aviation Initiative, for which the CPCA will seek £25m of funding to match investment by the University of Cambridge to develop new research capability within the Whittle Laboratory, at the West Cambridge site, for net-zero jet propulsion technology development.
- 6.4 The OxCam Future Mobility Initiative, for which the CPCA will seek £20m of funding to match investment by TWI to develop new research capability within the new University & Research Campus in Peterborough, for electric vehicle battery manufacturing technology development.

4. Legal Implications

4.1 There are no legal implications

Business and Market Engagement Update

To: Business Board

Meeting Date: 12 January 2021

Public report: Yes

Lead Member: Austen Adams, Chair of the Business Board

From: Brian Hyland, Deputy Chief Officer

Key decision: No

Recommendations: The Business Board is recommended to:

- a) Note the update on recent Business and Market Engagement activity; and
- b) Note the future activities to drive increased engagement with our target audiences by raising the profile of ongoing and future workstreams within Business and Skills.

1. Purpose

- 1.1 The purpose of this report is to update Business Board members on our Business and Market Engagement activities across the Business & Skills Directorate.

2. Background

- 2.1 The ongoing Business & Skills Promotional Campaign continues to raise the profile of the various services available to our target audiences and to generate high quality client traffic to our various initiatives. This update demonstrates the ongoing work to Business Board Members and identifies future opportunities.

3. Outputs Delivered: October – December 2020

- 3.1 Appendix 1 of this report provides members with an update of the marketing, communications and engagement activity within Business and Skills during October, November and December 2020.
- 3.2 Some of the notable highlights include:
- (a) Successful roll-out and distribution of £129,960 Visitor Economy Grant Scheme and £223,800 Restart and Recovery Grant Scheme. The application form was viewed by 1,544 users and we received 385 completed application forms.
 - (b) Built a dedicated business support microsite to respond to the introduction of new national restrictions. The site signposted business leaders to national and local support schemes and featured an FAQ listing to reduce demand on the Growth Hub.
 - (c) Hosted a successful Kickstart Scheme webinar and live Q&A with the Department for Work and Pensions attended by 140 employers within our region.
 - (d) Socialisation and distribution of the COVID-19 Impact Monitoring Dashboard, produced by Metro Dynamic, using the dashboard to enact a data-capture drive
 - (e) ARU Peterborough Spade in the Ground event to mark the start of construction.
 - (f) Launch of an EU Transition self-help style microsite to signpost business leaders to support and official information and resources.

4. Planned Activities: January 2021 – March 2021

- 4.1 Appendix 2 of this report provides a summary of the future opportunities to raise the profile of the Business Board, Business and Skills directorate and our future interventions.
- 4.2 Some of the notable plans include:
- (a) High impact launch programme for the Business Growth Service (and its constituent service lines) to key target audiences and partners.

- (b) Comprehensive campaign to mark the allocation of all LGF money, creating a variety of content including case studies and infographics to highlight the variety of LGF grants awarded and their respective impact.
- (c) The launch of a new Cambridgeshire & Peterborough Combined Authority website to improve how we communicate the work of the Business Board with our target audiences.
- (d) Hosting a series of roundtable events with ARU Peterborough for businesses across the region to help ARU match the curriculum of the new university with the needs of local employers.

4.3. We continue to analyse the effectiveness of our ongoing activity against specific measurable targets set out in the paper which was presented to the Business Board in November 2020. The table below demonstrates some of the progress already made against these targets.

Target	Evaluation	Status
Increase the Number of LinkedIn & Twitter followers	Since September 1 st , 2020 we have increased our number of followers on LinkedIn from 93 to 163 and our Twitter followers from 1,083 to 1,193.	Ongoing
Increase the frequency of Social Media Posts Shares	In September we set a target of daily posts on the Growth Hub LinkedIn. In October we met this posting 33 times and in November exceeded this posting 42 times. Now post frequency has increased we will be working to drive increased engagement with our social media posts.	Complete, new target set
Increase the number of Subscribers to CPCA Business Bulletins	Weekly growth has slowed recently due to an overall drop in traffic to the Growth Hub website. To accelerate growth in December and January we will be launching targeted data-captures campaigns.	Ongoing
Improve the Open Rates of CPCA Business Bulletins	Open rates continue to fluctuate based on the content but are on average 36.7%. This is above the target set of 33.3% but something we need to maintain and push by monitoring the behaviour of subscribers and their responses at different "send times".	Complete, new target set
Specific client recruitment campaigns	Our targeted lead generation for the Peer Networks programme delivered 51 relevant, leads within five days. Our campaign to register attendees for our Kickstart Webinar was successfully with 140 employers attending and 165 registering to receive our post event Q&A.	Complete

5. PR Strategy – Sharing Good News

- 5.1. The primary purpose of our Business & Market Engagement Strategy is to connect with our audiences, raise awareness of our services and engaging our clients through these services.
- 5.2. However, this upstream client generation activity is already yielding opportunities to share positive news across our communities.
- 5.3. By conveying these positive outcomes in the right way, we intend to deepen engagement with our target groups further.
- 5.4. Therefore, Appendix 3 is a PR Grid charting the positive news we have shared to date. In addition, our “Planned Activities” under Section 4 of this paper and in Appendix 2 represent future opportunities in this respect.

Significant Implications

6. Financial Implications

- 6.1 There are no direct financial implications arising from the report.

7. Legal Implications

- 7.1 There are no direct legal implications arising from the report.

8. Other Significant Implications

- 8.1 There are no other significant implications arising from the report.

9. Appendices

- 9.1. Appendix 1 – Campaign Outcomes (October - December 2020)
- 9.2. Appendix 2 – Campaign Plans (January - March 2021)
- 9.3. Appendix 3 - PR Grid (January 2021)

Campaign Outcomes (October - December 2020)

1. Business Bulletin Email Stats

Subject	Open Rate	Date
Furlough Scheme Extended Following New National Restrictions	37.6%	Sunday November 1 st 2020
Furlough scheme extended to March and increased support for the self-employed	36.3%	Thursday November 5 th
Learn more about the Kickstart Scheme at our webinar	62%	Monday November 9 th
Is your business ready for our new relationship with the EU?	21%	Friday 13 th November
Potential Peer Networks Programme for business leaders	29.3%	Tuesday November 17 th
Keep your business running smoothly as the EU transition period ends	27.8%	Tuesday November 24 th
Kickstart Scheme Update	35.2%	Friday November 27 th
Webinar invitation: Office for Life Sciences - 'Life Sciences, Brexit and the border'	29.2%	Monday November 30 th

Between October 1st and November 30th, the number of subscribers increased by 40 to 4,055. We want to accelerate this growth over the coming weeks and month as we engage with an increasing number of businesses.

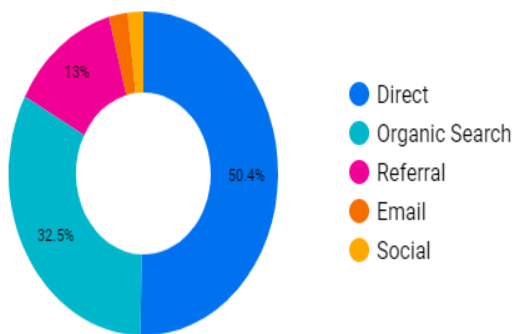
2. Growth Hub Website Stats

	Sessions	Users	Average Session Duration	Bounce Rate
October	1350	1075	01:57	54.6%
November	1112	804	01:31	51.7%

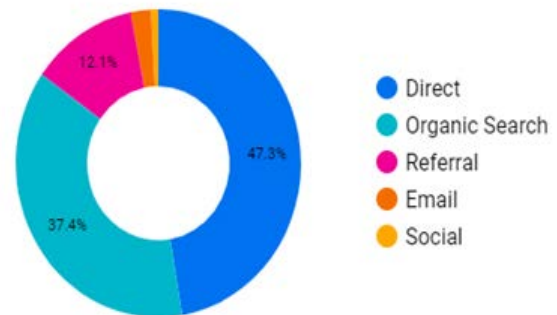
October Acquisition

November Acquisition

Top Acquisition Channels



Top Acquisition Channels



3. Business Board and Business and Skills Press Releases Distributed

October	6
November	7
December	5

4. Social Media

	October	November
Combined Authority LinkedIn Posts	33	59
Combined Authority LinkedIn Followers	2,190 (As of October 31 st)	2,295 (As of November 30 th)
Combined Authority LinkedIn Reach	9,238	18,314
Growth Hub LinkedIn Posts	42	33
Growth Hub LinkedIn Followers	142	162
Growth Hub LinkedIn Reach	2,001	1,850

	October	November
Combined Authority Facebook Posts	80	94
Combined Authority Facebook Reach	18,889	10,829
Combined Authority Facebook Page Likes	379 (As of October 31 st)	405 (As of November 30 th)

5. Mayor Business Visits

The Mayor of Cambridgeshire and Peterborough was forced to postpone all business visits scheduled from November 2nd due to the introduction of national restrictions. Postponed visits have been rescheduled throughout December and January and include visits to Turners (Soham) Ltd and Angli-Ear Hearing and Tinnitus Solutions Ltd.

Visit to TRGB Ltd <https://www.youtube.com/watch?v=ak679zo7PFU&t=1s>

Visit to OAL Ltd https://www.youtube.com/watch?v=poy7qtK_i-s

Visit to AXIOM Ltd <https://www.youtube.com/watch?v=FI6NdSeoBK0&t=1s>

6. Youth Engagement Strategy

The SROs for Workforce and Skills and Adult Education, the Business and Market Engagement Officer and the Head of Communications are working to improve how the Combined Authority and the Business Board engages with young people across the region. We intended to host a series of discussions with young people in December but due to lack of interest have had to reschedule. We are now revising plans for this event with the SROs and our network of partners and will shortly be circulating an updated document to Business Board Members.

7. Kickstart Scheme Webinar

On Thursday November 19th, the Combined Authority successfully hosted a webinar for the 225 employers across Cambridgeshire and Peterborough who expressed an interest in applying for the scheme. The session, which was attended by 145 business leaders, was run in partnership with the Department for Work and Pensions and Cambridgeshire Chamber of Commerce. The session concluded with an interactive Q&A and a copy of all answers was circulated to the attendees following the event.

Campaign Plans (January – March 2021)

Date	Event	Details	Comms Action
January			
	Innovation Fund	Highlighting the Innovation Fund with our devolved Adult Education Budget. Showcasing how the money will be spent through providers who it will support and how.	Press release / case studies Video content Social media
	ARU Peterborough Phase Two	Phase two funding allocated and plans unveiled.	Press Release Social Media Update to partners
	Local Growth Fund	Campaign to highlight the impact that LGF money has had across Cambridgeshire and Peterborough to mark the allocation of all funding. Will include case studies and key stats to demonstrate impact.	Press release / case studies Infographic Video Social media
	Eastern Agri-Tech Growth Initiative	Campaign to highlight the impact of grants awarded by the Eastern Agri-Tech Growth Initiative, marking the allocation of all funding.	Press release / case studies Infographic Video Social media
	Third tranche of Market Town Masterplans	Communications following any approved proposals at the January Business Board meeting.	Local Community Press release Social Media

	Launch of the Business Growth Service	Working with the successful bidder the deliver a high impact launch plan with targeted marketing for each sub economy and service line. Recruiting a series of ambassadors for the service.	Launch Event Press release Infographic Video
February			
	Kickstart Scheme	Follow up with employers who accessed the Kickstart Scheme through the Combined Authority as a Gateway Organisation. Potential opportunity to feature young people employed through the scheme in our region.	Press release / case studies Video content Social media
	Sector based work academies	Follow up on how the Combined Authority has invested £500,000 from DFE with our AEB providers.	Press release Social Media Webinar
	ARU Peterborough	Phase two planning application submitted to Peterborough City Council.	Press release Social media
	Growth Hub	Targeted campaign to raise the profile of the Growth Hub's workstreams funded by BEIS and its ongoing support for businesses in the region.	Lead generation Webinar
March			
	Local Skills Report (SAP)	Confirmation of the Combined Authority's Local Skills Report for submission to DFE	Press release Social media Engagement with partners

	Visitor Economy	Potential joint campaign to support the relaunch of the Visitor Economy across the region as we move into Spring.	Press release Social media Videos Engagement with partners
	Restart and Recovery and Visitor Economy Grant Scheme (ERDF)	Follow up PR with SMEs awarded grants of up to £3,000 by the Combined Authority to demonstrate the impact of the grants.	Social Media Videos

PR Grid (January 2021)

Date	Workstream	Key Messages	Target Audiences	Content	Status	Comments
December 2020	Business Growth Service	Targeted messaging for each of the four service lines within the Business Growth Service.	Business Leaders across Cambridgeshire and Peterborough	Messaging matrix to show the different target audiences of the Business Growth Service and the most relevant offering for them.	Ongoing	This work is being carried out jointly with our delivery partner and stakeholders to produce and enact a targeted marketing strategy.
December 2020	Business Growth Service	What is the Business Growth Service? Why does it exist? What are we aiming to achieve? Who will be involved?	Local Authority Partners, Stakeholders, business organisations	Presentation delivered to a range of partners and stakeholders to update them on progress of the mobilisation of the Business Growth Service and identify action points.	Complete	
December 2020	Eastern Agri-Tech Growth Initiative	DSF awarded £40,000 towards a £100,000 project	Business Leaders, Agri-Tech partners.	Press release Website article Agri-Tech Trade Press	Complete	

December 2020	ARU Peterborough	Spade in the ground event – work has started on the new university and the project is on schedule.	Business Leaders, Learners, key stakeholders and the wider public in Greater Peterborough and the surrounding area.	Press release YouTube video Social media campaign	Complete	Spade in the ground event was postponed from November due to national restrictions. The Combined Authority led on organising the event and all pre and post event communications.
December 2020	Eastern Agri-Tech Growth Initiative	AgriGrub Ltd awarded £65,000 towards a £125,000 project	Business Leaders, Agri-Tech partners.	Press release Website article Agri-Tech Trade Press	Complete	
December 2020	Spending Review Reaction	Welcoming the Government's Levelling Up Fund and Restart programme.	Business leaders, stakeholders, and those at risk of long-term unemployed	Website article Social media	Complete	Linking the announcements to work ongoing with Metro Dynamics. Commitment to work with the Combined Authority to consider potential projects.
November 2020	Cambridge Visitor Welcome Project	£710K LGF investment to support a bid to allow Cambridge City centre to adapt following the impacts of Covid-19 and restart the Cambridge visitor economy.	Business owners, general public and stakeholders	Website article Press release Social Media	Complete	Joint communications with Cambridge City Council follow a decision by the Business Board and Combined Authority Board to allocate the funding.

November 2020	Kickstart Scheme	How employers can access the Kickstart Scheme.	Employers looking to create kickstart placements.	Webinar and Q&A with DWP YouTube video Online article	Complete	136 employers attended a virtual session hosted by the Combined Authority with officers from DWP.
November 2020	Growth Hub	Peer networks programme expression of interest	Business leaders with ambition to grow their enterprise	Press Release Email campaign Social media campaign	Complete	Gauge demand from businesses that meet set eligibility criteria ahead of the launch of a regional peer networks programme funded by BEIS.
November 2020	ARU Peterborough	Planning permission granted for new ARU Peterborough development	Peterborough City Council has approved plans for a new state-of-the-art building which will be the home of ARU Peterborough, the city's new £30 million university.	Press Release Social media	Complete	Joint press release with ARU and Peterborough City Council.

November 2020	LGF	Mill SciTech Park planning application submitted	Update on the development of the Mill SciTech Park, on the Hauxton Mill site in South Cambridgeshire, funded by a LGF grant.	Press release Website article	Complete	Joint communications with a Mayor visit to be scheduled following the end of national restrictions.
November 2020	Kickstart Scheme	Combined Authority aims to take the lead on delivering Kickstart Scheme for SMEs across the region	The Cambridgeshire & Peterborough Combined Authority is helping small and medium sized businesses across the region take advantage of the Government's Kickstart Scheme.	Press release Website article Social media posts	Complete	Encouraging people to express their interest in the Kickstart Scheme and apply through the Combined Authority who will be a Gateway Organisation.

November 2020	LGF	£6.2m Haverhill EpiCentre officially opens	Development of The EpiCentre was partly funded by a £2.7m of Local Growth Fund investment from the Combined Authority, to bring jobs and employment to Haverhill Research Park.	Press release Website article Social media posts	Complete	Joint press release issued following ribbon cutting event which was attended by Austen Adams on behalf of the Business Board and CPCA.
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Business Board Forward Plan

Published 22nd December 2020

Business Board Meeting – 12th January 2021

	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes of the Meeting Held on 10th November 2020	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Covid-19 and EU Transition Update	Business Board			To update members on the latest information regarding the EU Transition and Covid-19.	<i>Brian Hyland, SRO (Dep CO) Business Growth Service</i>	Chair
3.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	<i>Vanessa Ainsworth, Finance Manager</i>	Chair
4.	Local Growth Fund Programme Management Review – January 2021	Combined Authority Board	27 th January 2021	Decision	To monitor and review programme performance, evaluation, outcomes and risks.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair
5.	University of Peterborough: Incorporation of PropCo2	Combined Authority Board	27 th January 2021	Decision	To note the incorporation of PropCo2 for the University of Peterborough and approve the business plan and approach to the commercial operator.	<i>Alan Downton, Interim SRO Higher Education</i>	Chair
6.	University of Peterborough Manufacturing & Materials Research & Development Centre Project Change Request	Combined Authority Board	27 th January 2021	Decision	To approve an increase in investment funding from the joint venture partner for the University of Peterborough Phase 2 Manufacturing and Materials Research & Development Centre Project.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair

7.	Local Enterprise Partnership Partnering Strategy	Combined Authority Board	27 th January 2021	Decision	To approve the Local Enterprise Partnership Partnering Strategies.	<i>John T Hill, Director, Business & Skills</i>	Chair
8.	Business & Market Engagement Update	Business Board			To update members on latest PR activity.	<i>Brian Hyland, SRO (Dep CO) Business Growth Service</i>	Chair
9.	Forward Plan	Business Board			To note the Forward Plan.	<i>Monitoring Officer for Combined Authority</i>	Chair

Business Board Meeting – 16th March 2021

	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes of the Meeting Held on 12th January 2021	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Covid-19 and EU Transition Update	Business Board			To update members on the latest information regarding the EU Transition and Covid-19.	<i>Brian Hyland, SRO (Dep CO) Business Growth Service</i>	Chair
3.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	<i>Vanessa Ainsworth, Finance Manager</i>	Chair
4.	Local Assurance Framework Annual Review	Combined Authority Board	24 th March 2021	Decision	To approve updates to the Local Assurance Framework.	<i>Rochelle Tapping, Deputy Monitoring Officer</i>	Chair

5.	Annual Performance Review (APR) Update	Combined Authority Board	24 th March 2021		To update members on the end of year Annual Performance Review (20/21) with BEIS.	<i>Domenico Cirillo, Business Programmes Manager</i>	Chair
6.	Local Economic Recovery Strategy: Updated refresh	Combined Authority Board	24 th March 2021	Decision	To approve the updated Local Economic Recovery Strategy for Cambridgeshire & Peterborough.	<i>Brian Hyland, SRO (Dep CO) Business Growth Service</i>	Chair
7.	Local Growth Fund Programme Management Review – March 2021	Combined Authority Board	24 th March 2021	Decision	To monitor and review programme performance, evaluation, outcomes and risks.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair
8.	University of Peterborough: Phase 2	Combined Authority Board	24 th March 2021		To update members on Phase 2 of the University of Peterborough.	<i>Mahmood Foroughi, SRO Higher Education</i>	Chair
9.	Business & Market Engagement Update	Business Board			To update members on latest PR activity.	<i>Brian Hyland, SRO (Dep CO) Business Growth Service</i>	Chair
10.	Business Growth Service Mobilisation Update	Business Board			To update members on progress made with mobilising the Business Growth Service.	<i>Brian Hyland, SRO (Dep CO) Business Growth Service</i>	Chair
11.	Coterminous and Strategic Partnership Agreements Update	Combined Authority Board	24 th March 2021	Decision	To approve the remaining seven Memorandum of Understanding with the neighbouring Local Enterprise Partnerships under LEP coterminosity.	<i>John T Hill, Director, Business & Skills</i>	Chair

12.	Sector Strategies	Business Board		Decision	To approve Strategies for the Agri-Tech, Life Sciences and Digital Sectors in Cambridgeshire & Peterborough.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair
13.	Greater South East Energy Hub: Accountable Body Status	Combined Authority Board	24 th March 2021	Decision	To agree the Accountable Body status for the Greater South East Energy Hub.	<i>John T Hill, Director, Business & Skills</i>	Chair
14.	Forward Plan	Business Board			To note the Forward Plan.	<i>Monitoring Officer for Combined Authority</i>	Chair

Business Board Meeting – 12th May 2021							
	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes of the Meeting Held on 16th March 2021	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	<i>Vanessa Ainsworth, Finance Manager</i>	Chair
3.	Strategic Funding Management Review – May 2021	Combined Authority Board	26 th May 2021	Decision	To monitor and review programme performance, evaluation, outcomes and risks.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair

4.	Business & Market Engagement Update	Business Board			To update members on latest PR activity.	<i>Brian Hyland, SRO (Dep CO) Business Growth Service</i>	Chair
5.	Forward Plan	Business Board			To note the Forward Plan.	<i>Monitoring Officer for Combined Authority</i>	Chair

SUBMIT YOUR COMMENTS OR QUERIES TO BUSINESS BOARD

Your comment or query:

How can we contact you with a response?
(please include a telephone number, postal and/or e-mail address)

Name

Address

.....

Tel:

Email:

Who would you like to respond?

