



Business Board

Agenda Item

15 January 2024

3.2

Title:	Strategic Funds Management Review
Report Officer:	Acting Director Business, Trade and Investment, Steve Clarke
Lead Member:	Chair of the Business Board, Al Kingsley
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	No vote required

Recommendations:

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

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

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

1. Purpose

1.1	This report provides the Business Board with the regular update on the strategic funding programmes related to the work of the Economic and Growth team, this report covers progress to 18 December 2023.
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2. Update

2.1	<p>The Business Board has oversight of funds that are related to previous Local Enterprise Partnership (LEP) led activity, plus other more recent funding which the Economy and Growth Directorate have bid and secured which the Business Board have a direct input or advisory role.</p> <p>The funds referenced in this report are listed below (some historic and some current):</p>		
	Local Growth Fund (LGF)	£146.7million	Programme outcomes being delivered from invested projects in programme until 2030. Recycled LGF returned from projects over medium term, Business Board awarded £4.7million recycled LGF last year still being monitored.
	Getting Building Funding (GBF)	£14.6million	Business Board awarded the £14.6m GBF to the University phase 2 project invested Propco2 for delivery

Levelling Up Fund (LUF) round 1	£20million	Peterborough City Council recipients of capital grant for the University Phase 3 Living Lab. Business Board awarded £2million match funding from recycled LGF.
Levelling Up Fund (LUF) round 2	£48million	Combined Authority secured £48million to deliver Peterborough Station Quarter project
UK Shared Prosperity Fund (SPF)	£9.8million	Combined Authority managing portfolio of 31 projects through collaborative delivery with Local Authority partners
Rural England Prosperity Fund (REPF)	£3.2million	Combined Authority managing REPF capital grant scheme through four rural Local Authority partners
Create Growth Programme	£1.275million	Three County partnership with the New Anglia LEP and University partners to deliver seed funding support in creative sector. The funds are to be split across the three counties of Cambridgeshire, Norfolk and Suffolk.
Gainshare	£25.6million	Combined Authority delivering Business and Social impact investment fund (£10million). Included for reference but not covered in this report: Market Towns phase 1 (£13.1million), Market Towns phase 2 (£2.5million)
Innovate UK – Agri-Tech/Food Launchpad	£7.5million	Combined Authority is partner in this programme along with New Anglia and Greater Lincolnshire LEP's. The £7.5m of funding for innovation grants to businesses and farmers will be shared across the three LEP geography.

2.2 CURRENT SPEND ON LIVE PROJECTS:

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

Project Title	Project Description	Strategic Growth Ambition Fit	Grant Funding Amount	Spend to Date	Leverage Funding	End of Project Monitoring
Illumina Genomics Accelerator	Investment in start-up life science companies	Economic & Growth	£2,000,000	£1,100,000	£29,000,000	2030
Start Codon Life Science Accelerator	Provides support and seed-funding to High Potential Companies	Reducing Inequality	£3,342,250	£1,817,180	£12,000,000	2030
Business Growth Service - Inward Investment expansion	Investment in the inward investment element of the Growth Works programme	Economic & Growth	£400,000	£400,000	£0	2030
Barn4 specialist growing facilities	Containerised growing systems on NIAB's Park Farm	Innovation	£400,000	£400,000	£332,785	2025
Fenland Hi-Tech Futures	An investment in equipment for the North Cambs Training Centre	Economic & Growth	£400,000	£400,000	£237,000	2025
COWA Net Zero Project	Develop a centre for green skills specialisms and coordinate skills across Fenland	Health and Skills	£2,000,000	£0	£8,262,471	2030

Ramsey Produce Hub	project will deliver improvements to the Great Whyte, commercial heart of Ramsey	Infrastructure	£1,158,525	£0	£295,000	2027
Centre for Green Technology	Building design at Peterborough College	Infrastructure	£397,093	£397,093	£39,709	2027
University of Peterborough Phase 3	Phase 3 teaching building on ARU Peterborough site	Infrastructure	£2,000,000	£2,000,000	£24,000,000	2032
Total Funding			£12,097,868	£6,514,273	£50,166,965	

2.3 LOCAL GROWTH FUND PROGRAMME DELIVERY & MONITORING

The only project still defraying the original LGF programme funds at a project level is Start Codon and of the £3million awarded which was capital swapped in March 2021 there remains £1.2million contractually left to be defrayed.

The Smart Manufacturing Alliance (SMA) was a project funded via £715,000 LGF invested into a joint venture with Opportunity Peterborough in 2020, the project was launched at a very tough time to create a new network supporting manufacturing businesses and as such has not yet managed to reach the self-sustaining level of membership income and is likely to run out of the initial investment funding during 2024. An assessment is being undertaken of the strategic value of the SMA programme against the objectives in Achieving Good Growth and against priorities in the Advanced Manufacturing and Materials Strategy. The Business Board will be asked to consider options for supporting the SMA or not via a separate briefing note, with any proposals coming back to the Business Board meeting in due course.

All other projects listed above and in Appendix 1 are funded from the Recycled LGF and are currently expected to spend all funds awarded subject to any further change requests that may come forward.

The quarterly Monitoring of all projects has been undertaken during October and November with the full list of projects and outputs listed at Appendix 2. The total number of Jobs and Apprenticeships currently recorded through the monitoring process of whole Business Board strategic funds programme stands at 15091.5 as of 22 December 2023, which indicates a growth of 1120 from the last monitoring period.

The Appendix 2 also contains a case study of the TTP Life Sciences Incubator project which the Business Board awarded £2.3 Million of Local Growth Funding in 2020.

The next tranche of impact evaluation for projects completed through the LGF will be completed during next quarter and shared to the Business Board members once completed at either March or May boards.

2.4 UK SHARED PROSPERITY FUND

The UK SHARED PROSPERITY FUND (UKSPF) is continuing to progress slowly and the main emerging risk is to do with overall spend as we enter the final quarter of year 2 of the programme. CPCA has received and paid multiple claims for the funding from the Local Authority districts, along with updates on grant applications and procurements which are nearing completion. This indicates that most of the projects are beginning or ready to begin.

To date the UKSPF has spent £616k which is 17% of forecasted spend for the first 2 years and 6.2% of the total programme budget available across the 3 years.

Department for Levelling Up, Housing and Communities (DLUHC) have formally confirmed that carry forward is permitted of all unspent funds from 2023/24 into 2024/25 with a new percentage profile of budget spend being agreed. DLUHC have also confirmed that the Year 3 spend will now be paid retrospectively to all Lead Authorities who have not defrayed majority of their year 1 and 2 funds, this will be after the year 3 has ended via a final claim

Officers are working closely with the Local Authorities to expediate project spend across the board and it is expected that significant increase in claims will be received in quarter 4 which will raise levels of spend at end of year 2.

The Rural England Prosperity Funding Implementation plan was agreed at the last Business Board and Combined Authority board and the strategic funds team are now working up Grant Funding Agreements for the relevant district councils and specific projects identified in the implementation plan. The

	<p>breakdown forecast for each district for this year is as follows – East Cambs £163,127, Fenland £109,178, South Cambs £292,033 and Huntingdon £239,447.</p> <p>Of this, Districts have allocated the following towards grant funding programmes for this year East Cambs £102,511, South Cambs £86,700, Huntingdon £239,447 and Fenland £109,178. Fenland have held a Grant Committee, allocating around £100,000 in Grants. Huntingdon's grant scheme is due to start by the end of December. South Cambs have achieved cabinet approval for their two REPF Capital Projects. East Cambs have their approval going to Finance and Assets Committee at the end of January 2024. GFA's are currently with Districts and are due to be completed and signed before the end of the month. All four Districts are ready to award grants and start projects. Applications, outputs, and outcomes will also be ready for submission. The districts will conduct due diligence and subsidy control.</p>
2.5	<p>GAINSHARE</p> <p>Procurement has concluded for an Investment Fund delivery contractor for the Business Growth and Social Investment Fund project. The winning bidders for the two parts of the fund have been notified of contract award and contract being agreed for signing for commencement in January 2024.</p> <p>The Market Towns Programme (Phase 2) Programme update report is being presented to the Board at this meeting.</p>
2.6	<p>GETTING BUILDING FUND</p> <p>The Materials and Manufacturing Research and Development Innovation centre fully built by the Peterborough Research and Development Property Company Ltd (Propco2) has been concluding agreement with the new partner to join the Joint Venture company and take head lease space in the building. The new partner will be managing and marketing the space within the innovation centre. The whole of the second floor is still under consideration for a new sub-lease from the head lease for a health led innovation facility while Anglia Ruskin University have been fitting out the ground floor to deliver an Augmented and Virtual reality teaching and research space which is expected to be complete and functioning by the end of February 2024.</p>
2.7	<p>CREATE GROWTH FUND</p> <p>The recruitment for the programme cohorts in Cambridge and Peterborough has been active since September 2023 but for the Peterborough cohort, which will commence in February, the numbers of creative businesses or entrepreneurs coming forward has been very slow and behind expectation despite a big marketing push through many channels.</p> <p>By contrast the recruitment of the Cambridge cohort has been far more successful and there have already been enough applications to run the 12-week support programme.</p> <p>After discussion it has been agreed that the Cambridge and Peterborough programmes be swapped over on dates, this means Cambridge programme starting in February and Peterborough cohort starting later in September allowing more time for marketing and recruitment of enough businesses to make running the 12-week programme in Peterborough viable.</p> <p>The Creative East team have engaged with Faculty of Business, Innovation and Entrepreneurship plus Faculty of Creative and Digital Arts and Sciences at ARU Peterborough and Cambridge for input into the programme.</p>
2.8	<p>UKRI INNOVATE UK BIDS</p> <p><u>AGRI-TECH INNOVATION LAUNCHPAD</u></p> <p>Innovate UK confirmed that the Agri-Tech/Food Innovation Launchpad was selected to be taken forward across Combined Authority, Lincolnshire, Norfolk, and Suffolk with £7.5million of innovation grants. This was announced with first round call of £2million for projects across the four counties opened in October closed on 6th December 2023. At the time of writing this paper the assessment of applications was being undertaken and so award decisions to beneficiary companies, institutions, or organisations not available. Details of grants awarded will be shared to the Business Board by circulation in due course and further updates in board reports. Further calls will be opened during 2024 and 2025 until the £7.5million is fully awarded.</p>

	<p><u>PROPTech FUND BID</u></p> <p>Round 4 of the PropTech Innovation Fund will support Local Authorities to pilot projects that demonstrate the benefits of how digital solutions can be utilised across Land Assessment. This new funding from the Government is designed to support land assessment, viability work, unlocking small sites and site assembly. We have submitted a partnership application to Innovate UK with the following partners:</p> <ul style="list-style-type: none"> • RenKap - RenKap is a PropTech development company – they have developed Project Management software for managing all site surveys such as topo, ecology surveys, utility surveys, asbestos and many more. They have developed an online marketplace that connects clients with the best vetted suppliers across the UK allowing site surveys to be tendered, procured, instructed and managed all on one platform saving weeks of time and ensuring best practice outputs on every project. • Cambridge City Council • Peterborough City Council • Fenland District Council <p>Notification of successful applications and grant award outcome is due early in the new year.</p>
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3. Appendices	
3.1	Appendix 1 – Monitoring live Project in Delivery Jan 24
3.2	Appendix 2 – Programme monitoring Jan 24 and TTP Campus Closer Look

4. Implications	
Financial Implications	
4.1	None
Legal Implications	
4.2	None
Public Health Implications	
4.3	Within the broad portfolio of funded projects many have a positive impact on public health regarding creation of key employment or skills outcome improvements across the Combined Authority. Good work and personal skills development are key determinant of positive health outcomes.
Environmental & Climate Change Implications	
4.4	The programmes of funding contain various projects which will deliver impacts for environment and climate through wider changes and innovations in sectors such as Agri-food, green engineering, life sciences and digital that are Cambridgeshire and Peterborough global strengths. Success in these sectors will contribute to the global environmental and climate response.
Other Significant Implications	
4.5	None
Background Papers	
4.6	<p>Community Renewal Fund Award Approval Combined Authority Board 24 Nov 2021 Agenda item 3.6</p> <p>Getting Building Fund Award Approval Combined Authority Board 25 Nov 2020 Agenda Item 3.5</p>

Levelling up Project Approval

[Combined Authority Board 30 June 2021 Agenda Item 7.2](#)

UK Shared Prosperity Fund Implementation Plan Approval

[Combined Authority Board 22 March 2023 Agenda Item 7.4](#)

Gainshare Business Growth Fund Approval

[Combined Authority Board 30 November 2022 Agenda Item 4.5](#)

Gainshare Market Towns Phase 2 Approval

[Combined Authority Board 22 March 2023 Agenda Item 5.4](#)