

<b>Business Board</b>		Agenda Item
<b>13 May 2024</b>		<b>11</b>
Title:	Strategic Growth Fund and Levelling Up Fund Update (Gainshare)	
Report of:	Louisa Simpson, Strategic Funds Programme Leader	
Lead Member(s):	Chair of the Business Board, Al Kingsley	
Public Report:	Yes	
Key Decision:	Yes KD2024/024	
Voting Arrangements	Simple Majority	

### Recommendations:

A	To note the updates on development of the Strategic Growth Fund and Levelling Up Fund contained within this report.
B	To recommend that the Combined Authority Board reallocates a maximum of £1.5 million unspent capital from the completed Growth Works programme to the Strategic Growth fund to increase the total budget available for this fund.

### Strategic Objective(s):

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

✓	Achieving ambitious skills and employment opportunities
✓	Achieving good growth
	Increased connectivity
	Enabling resilient communities
✓	Achieving best value and high performance

### 1. Purpose

1.1	The key purpose of this report is to outline the status of development of future funding programmes that the Economy & Growth Directorate have budget available in the MTFP 2024/25.
1.2	This report provides the Business Board with a progress update since the budget allocation of £20 million for Strategic Growth Fund and £10 million for Levelling Up Fund was approved by the Combined Authority Board in January 2024 from its Gainshare capital funding.
1.3	This report also seeks to request recommendation from the Business Board to the Combined Authority Board to reallocate a maximum of £1.5 million unspent capital remaining to the Strategic Growth fund from the completed Growth Works programme to increase the total budget available for this fund.
1.4	The report also seeks to update and receive feedback from the Business Board on the proposed process for developing the Programme Business Cases and the outlines proposal for the contents of the Business Cases.

## 2. Proposal

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| 2.1 | <p>The proposal covers 2 new funding programmes identified as opportunities in the MTFP 2024/25:</p> <ul style="list-style-type: none"><li>• <b>Strategic Growth Fund - £20million</b> - The funds available for local government to locally determine investment into skills and economic capital has reduced since the end of the Local Growth Fund, this fund is intended to mitigate this shortfall and fund both direct construction as well as enabling infrastructure. An indicative £5m of the fund will be used to help develop critical infrastructure at the University of Peterborough. The fund is phased to increase each year in anticipation of growth in the economy, although when projects are assessed from calls there may be a need to award more funding in year than currently budgeted if more successful projects approved.</li><li>• Final allocations from this Fund to projects will be proposed by the Business Board, consulted with Employment and Skills Committee, then recommended to relevant Board, Committee or Officer in-line with the delegations within the Single Assurance Framework, This would be as follows, below £1million delegated to Chief Executive Officer, above £1million and below £5million delegated to the CPCA Investment Committee, then above £5million it would require going to the Combined Authority Board.</li><li>• This fund includes the unspent funds allocated by the Business Board to Growth Works, this is a maximum of £1.5million. The number will be finalised as part of the year end process.</li><li>• <b>Levelling Up - £10million</b> - This fund is proposed to enable both local match funding for projects which will leverage significant external funding as well as the opportunity to expand the current market towns programme into other large non-market town settlements in the area enabling the delivery of much-needed public realm improvements. Final allocations from this Fund will be consulted with Business Board, constituent councils and other key stakeholders, considered for recommendation to the Board by the Employment and Skills (for Skills and Employment related projects) or Environment &amp; Sustainable Communities Committee (For community, infrastructure or public realm projects) and approved in-line with the delegations within the Single Assurance Framework, This would be as follows, below £1million delegated to Chief Executive Officer, above £1million and below £5million delegated to the CPCA Investment Committee, then above £5million it would require going to the Combined Authority Board.</li></ul> |
| 2.2 | <p>As part of the development of the funding opportunities we will be utilising the new assurance framework to ensure approval of the governance arrangements. Consultancy support is being procured to support the development of the programme business case and supporting documentation for both funds that will:</p> <ul style="list-style-type: none"><li>• Establish a range of agreed objectives</li><li>• Establish the KPIs for the programme</li><li>• The individual programmes requirements that have appeal to businesses and will drive change</li><li>• Other resources deployed in tandem with the support, including match funding</li><li>• Its administration and delivery model</li></ul>  |
| 2.3 | <p>The work will also identify:</p> <ul style="list-style-type: none"><li>• Key beneficiaries of the programme</li><li>• The demand in the market - leading to programmes that will address the need and opportunities that businesses have</li><li>• The allocation of funds across programmes over the period</li><li>• The nature of funding including grants/ loans or equity</li><li>• The distribution of funds, including calls for bids/ applications</li><li>• The appraisal of applications</li><li>• The anticipated outputs, results and impact</li></ul>   |

2.4	<p>The 16 week proposed timeline for development of the programme business case for both funds is as follows:</p> <ul style="list-style-type: none"> <li>• Development of Concept Form working with stakeholders and businesses in focus groups to establish demand for certain types of innovation and stratification of beneficiaries according business size – 4 weeks</li> <li>• Presentation of the results to the BB &amp; other key committees with commentary as to potential programmes backed up by best practice case studies – 2 weeks</li> <li>• Development of Business case development including liaison with stakeholders as to what works - 8 weeks</li> <li>• Sign off by BB, Investment Committee and CA Board – 2 weeks</li> </ul>
2.5	<p>The programme business case development will engage with the business community and other relevant partners and will follow the new assurance process which is anticipated to go live in June 2024, we are working to the Combined Authority Board July/August, date to be confirmed, for the sign off of the business case.</p>
2.6	<p>The proposal looks to support the directorate business plan 2023/25:</p> <ul style="list-style-type: none"> <li>• Supporting our Businesses</li> <li>• Strengthening and attracting trade and investment, with a primary focus on growing our priority sectors and clusters</li> <li>• Developing skills and jobs at scale to sustain a highly skilled, relevant and flexible workforce</li> <li>• Regenerating our communities, towns, cities, market towns, identifying and unlocking infrastructure and other barriers to economic growth, and reducing inequalities, in collaboration with partners</li> <li>• Refreshing and keeping relevant our local economic growth narrative and plan, including the next set of propositions, asks and offers for a new Devolution Deal.</li> </ul>
2.7	<p>These objectives sit within the wider Combined Authority strategic priorities of:</p> <ul style="list-style-type: none"> <li>• Achieving good growth</li> <li>• Ambitious skills &amp; employment opportunities</li> <li>• Enabling resilient growth</li> </ul>

### 3. Background

3.1	<p>The MTFP was approved in January 2024 at the Combined Authority Board, a high level description of the funds was included in the MTFP, this also included how the funds would be managed within the Combined Authority committee structure.</p>
3.2	<p>Officers have started the process of engaging consultancy support to develop the Business Cases associated with the funds.</p>
3.3	<p>The option of producing the Programme Business Cases internally was considered but it was agreed capacity &amp; specialist expertise was not available in house</p>

### 4. Appendices

4.1	None
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## 5. Implications

### Financial Implications

5.1	If the recommendation to allocate residual unspent capital funds from Growth Works programme into the Strategic Growth Funds budget will require the MTFP to be adjusted to reflect the new total budget available for this programme.
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### Legal Implications

5.2	Governance arrangements will be in line with the Single Assurance Framework (SAF) and as per the delegations defined within the SAF.
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### Public Health Implications

5.3	Within the broad portfolio of future funded projects many may have a positive impact on public health regarding creation of key employment or skills outcome improvements across the Combined Authority. Also, the Levelling Up Fund may fund community projects which are linked or will have a positive impact on health outcomes. Good work and personal skills development are key determinant of positive health outcomes
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### Environmental & Climate Change Implications

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

5.5	None
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### Background Papers

5.6	Combined Authority Board 31 <sup>st</sup> January 2024 MTFP decision - <a href="#">MTFP Capital Paper</a>
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