

BUSINESS BOARD	AGENDA ITEM NO: 3.1
25 NOVEMBER 2019	PUBLIC REPORT <i>This report contains Appendices which are exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)).</i>

LOCAL GROWTH FUND PROJECT PROPOSALS – NOVEMBER 2019

1.0 PURPOSE

- 1.1. The Business Board is responsible for allocating the Growth Fund subject to approval by the CA Board with the objective of creating new jobs and boosting productivity.
- 1.2. The Board are asked in this report to consider and make recommendations against applications that have been submitted for these funds and the pipeline of projects based upon the independent external assessment undertaken.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of Business Board
Lead Officer:	John T Hill, Director, Business and Skills
Forward Plan Ref: 2019/067 Key Decision: Yes	
<p>The Business Board is asked to:</p> <ol style="list-style-type: none"> (a) Approve projects numbered 1, 3 and 6 in the table at paragraph 2.8 below. (b) Recommend that the Combined Authority Board approve funding for the projects numbered [5, 7 and 8] in the table at paragraph 2.8 below. (c) Defer consideration of the projects numbered [2 and 4] in the table at paragraph 2.8 below until the January meeting of the Business Board 	

2.0 BACKGROUND

- 2.1. Growth Deal and Growing Places funding is provided by Government to local areas to invest in projects that will create new jobs, increase productivity, and stimulate economic growth. A total of £146.7million has been provided to this area, with £53.9million remaining to allocate.
- 2.2. The Business Board approved the Growth Prospectus in July 2019 as a call for new project proposals against this remaining funding; [Growth Prospectus 2019-21](#) Expressions of interest are being submitted to the Combined Authority in feedback provided to inform full applications. This prospectus made clear that the new opportunity for this round of bids to the Business Board aligned with the Combined Authority Local Industrial Strategy; [Local Industrial Strategy](#)
- 2.3. Following initial internal assessment for suitability of the Expression of Interests received, so far 18 have been invited to submit Full Application Forms. 10 Full Applications have been received and 8 subsequently completed appraisal by the independent external appraisal team. There are another 5 projects who have confirmed they will shortly be submitting an Expression of Interest – see confidential **Appendix A** for pipeline breakdown.
- 2.4. 8 project proposals that have completed the independent external assessment are being brought to this Business Board for consideration and, if agreed, recommendation to the Combined Authority Board for approval.
- 2.5. ENTREPRENEUR ADVISORY PANEL (EAP) - The Business Board agreed the creation of an Entrepreneur Assessment Panel (EAP) as a working group of the Business Board at September 2019 meeting. The EAP sat on the 1st and 11th November to review presentations made by project applicants and question the projects on rationale, strategic fit, and clearly defined, measurable outputs. The EAP evaluation scoring report is included in the project ranking assessment **Appendix B** shared with Business Board and the recommendation report presented to the Combined Authority Board, by the Chair of the Business Board for ratification. There are further EAP meetings scheduled for 17th December 2019 and 10th January 2020 and other dates will be scheduled as required should the pipeline of funding not yet be allocated by January Business Board.
- 2.6. The Board is asked to consider the ranking scores of each of the projects to aid the decision making as agreed at Business Board meeting in September 2019 – with some projects potentially being held back for comparison to further pipeline projects that come forward to January Business Board. The scores across all assessment stages for projects achieved thus far can be viewed in confidential **Appendix B**.
- 2.7. A summary of each of the projects at Full Application case applying for funding is below, further details of the individual projects, including the external appraisal report and further supporting documents can be found in confidential **Appendices C through to J**.
- 2.8. Officers' recommendation is for the Business Board to recommend that the Combined Authority Board approve funding for the projects numbered 1, 3 and 6 in the table at paragraph 2.8 below, which are all applying for less than £1million, and to recommend that the Combined Authority Board approve funding for the projects numbered [5, 7 and 8] in the table at Paragraph 2.8 below which are applying for over £1million and which have a final assessment score of over **80%**. For the projects numbered [2 and 4] in the table at paragraph 2.8 below and which are applying for over £1million but which have scored below **80%** the recommendation is to defer consideration of these projects until the

January Business Board meeting when they can be compared to further projects in the pipeline for a final decision.

2.9. Application Summary

No.	Proposal Summary	Funding Request	Overall final assessment %
1	Investment into creating a new Transport Technologies Accelerator	Equity £965,000	78.4%
2	Cambridge Healthcare & Life Science Start-up Accelerator Fund and Programme	Grant £342,250 Equity £3,000,000	74.4%
3	Creation of a new and unique life-science, technology and social enterprise park. The park will offer co-working and biology lab spaces to entrepreneurs. The project is for a refurbishment of a listed property which will lead to the full redevelopment of the site to include facilities for local people, and further life-science and lab spaces.	Grant £292,000 Loan £146,000	87.2%
4	Grant and Loan investment into 3D Centre of Excellence Launchpad in Peterborough	Grant £1,500,000 Loan £1,500,000	67.6%
5	Agri-tech Start-up incubator / Launchpad	Grant £2,300,000	84.4%
6	Agri-tech waste R&D centre extension	Grant £595,000	78.9%
7	Innovation Eco-system	Grant £1,230,000	82.9%
8	The Growth Service - comprises delivery of business growth through Growth coaching of growing companies, Inward Investment programme to secure more company investment and jobs into area, Skills/Training/Recruitment portal and brokerage to enable business and talent growth, these three service areas underpinned with grant and investment support to businesses.	Equity £5,400,000	82.3%

3.0 FINANCIAL IMPLICATIONS

3.1. The financial implications (loan, investment, and grant amounts sought) are detailed in the appendices. There are sufficient uncommitted Local Growth Funds to meet the up-front funding requests in this report without impacting other CPCA funding sources. Detailed financial impacts of loan and investment arrangements will be negotiated with approved applicants based on recommendations from the appraisers and the Business Board.

4.0 LEGAL IMPLICATIONS

- 4.1. There are no direct legal implications but the assessment of applications for Local Growth Funding must be done in accordance with the process agreed by the Business Board at its meeting in September 2019.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. None.

6.0 IMPLICATIONS FOR NATURE

- 6.1 None.

7.0 OTHER SIGNIFICANT IMPLICATIONS

- 7.1 None.

- 8.0 APPENDICES** – Exempt from publication under paragraph 3 of Schedule 12A Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

- **Appendix A –Not for Publication** Pipeline summary of all projects
- **Appendix B - Not for Publication** All Projects Assessment % scoring summary
- **Appendix C –Not for Publication** Applicant 1 Project Info and external appraisal report
- **Appendix D – Not for Publication** Applicant 2 Project Info and external appraisal report
- **Appendix E – Not for Publication** Applicant 3 Project Info and external appraisal report
- **Appendix F – Not for Publication** Applicant 4 Project Info and external appraisal report
- **Appendix G – Not for Publication** Applicant 5 Project Info and external appraisal report
- **Appendix H – Not for Publication** Applicant 6 Project Info and external appraisal report
- **Appendix I – Not for Publication** Applicant 7 Project Info and external appraisal report
- **Appendix J – Not for Publication** Applicant 8 Project Info and external appraisal report

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