

BUSINESS BOARD	AGENDA ITEM NO: 2.3
15 SEPTEMBER 2020	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)). The public interest in maintaining the exemption outweighs the public interest in publishing the Appendices.</i>

LOCAL GROWTH FUND PROJECT PROPOSALS – SEPTEMBER 2020

1.0 PURPOSE

- 1.1. The Business Board is responsible for allocating the Local Growth Fund subject to approval by the Combined Authority Board with the objective of creating new jobs and boosting productivity.
- 1.2. The Business Board is asked in this report to consider and make recommendations to the Combined Authority Board 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, Chair of Business Board
Lead Officer:	John T Hill, Director, Business and Skills
Forward Plan Ref: N/A	Key Decision: No
The Business Board is asked to: <ol style="list-style-type: none"> a) Recommend that the Combined Authority Board approve funding for the project ranked 1 (Peterborough City Centre project) in table 2.9 below based on the project scoring criteria and external evaluation recommendation; and b) Recommend that the Combined Authority decline approval of funding at this time for the project ranked 2 (Cambridge Market Place Project) in the table at 2.9 below based on the project not meeting the scoring criteria. 	

2.0 BACKGROUND

- 2.1. Growth Deal funding (Local Growth Fund, LGF) 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 £1,153,000 remaining to allocate from LGF and proposed additional consideration of using the remaining £433,849 available from the recycled funds pot. This makes a total available to allocate to these projects of £1,586,849 which has to be spent before end of March 2021.
- 2.2. The Projects being considered for this remaining funding are as a result of an agreed discussion and action from the Covid-19 Cambridgeshire & Peterborough City Centre Exit Strategy Group (CCESG) meeting on 7th July 2020, the action was regards exploration of available funding and options for projects to submit applications to utilise the small amount of remaining LGF and any other recycled Growing Places Funding to deliver capital investment in the short-term to support the visitor economy in the City Centres targeting businesses with support to aid safe adaption, thus aiming to reopen and revive the city centre economies.
- 2.3. Utilising the LGF Investment Prospectus criteria and Local Assurance process there are two project applications received which have had independent external assessment and are being brought to this Business Board for consideration.
- 2.4. ENTREPRENEUR ADVISORY PANEL (EAP) - The EAP ran virtually on the 25th August 2020, to review presentations made by the project applicants and question the projects on rationale, strategic fit, and clearly defined, measurable outputs. The final evaluation scoring is included in the table at 2.9 below. The Business Board is asked to note that the projects are both aimed at COVID-19 led response adaptations to the City Centres in Peterborough and Cambridge.
- 2.5. Projects are also independently evaluated by our external appraisers and although this has resulted in a recommendation decision from those appraisers this needs to be considered by the Board in parallel with the Local Assurance assessment scoring process and final average scores.
- 2.6. Further details of the individual projects, including the external appraisal report and further supporting documents can be found in confidential **Appendices A and B**. The scoring assessments have been completed for all projects including our external evaluators' matrix scores section.
- 2.7. The level of funds left to award means the Business Board cannot recommend both projects to the Combined Authority for their full requested funding without agreeing to utilise the remaining £433,849 of recycled Growing Places funding available which is separate from the Local Growth Fund.
- 2.8. The Business Board is asked to consider project ranked 1 (Peterborough City Centre project) for recommendation that the Combined Authority Board approve funding for this project listed in the table below at 2.9. That approval would be subject to the conditions proposed by external Appraiser's report.

The Business Board is asked to recommend that the Combined Authority decline approval of funding for the project ranked 2 (Cambridge Market Place Project) in the table at 2.9 below based on the project scoring criteria.

The Business Board may wish to invite project 2 (Cambridge Market Place Project) applicant to consider re-applying but with a scaled down highly focussed capital investment project that can be delivered at pace by end of March 2021 to benefit those City Centre businesses critically affected by COVID-19. The LGF Officers can also provide feedback direct to applicant on aspects of this project in relation to issues flagged at the Entrepreneurs Assessment Panel.

2.9 Application Assessment Summary Table

Projects	Eol %	FAF %	EAP %	Final averaged % assessment score	LGF Funding Request	LGF Funding Offer	RANK
Remaining LGF Budget	£1,586,849						
Peterborough City Centre Project	77.7%	71.5%	84.00%	77.7%	£ 800,000.00		1
Cambridge Market Place Project	77.2%	60.0%	56.0%	64.4%	£ 700,000.00		2

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, including recycled 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 completed in accordance with the Assurance Framework.

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 –

Appendix A (Exempt) – Application Project Information and External Appraisal Reports

Appendix B (Exempt) – Application Project Information and External Appraisal Reports

<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/ Growth Prospectus 2019-21 Local Industrial Strategy