



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 2.2

## Future Funding Strategy

To: Skills Committee

Meeting Date: 14 June 2021

Public report: Yes

Lead Member: Councillor Lucy Nethsingha, Chair of the Skills Committee

From: Director of Business & Skills, John T Hill

Key decision: No

Forward Plan ref: n/a

Recommendations: The Skills Committee is recommended to:

a) Note the recommendations to the Mayor to approve:

i) The process for selecting the candidate bids to be submitted to Government for the CRF, based on the Combined Authority's mandate to do so as Lead Authority for bids to the UK Community Renewal Fund (CRF);

ii) The process for selecting the candidate regeneration bids to be submitted to the Government for the Levelling-Up Fund (LUF), on the basis of the voluntary arrangement agreed between the Combined Authority, Peterborough City Council and Fenland District Council; and

b) Note the intent of the Combined Authority to pursue Lead Authority status for the LUF regeneration bids and its existing status as Lead Authority for transport bids.

c) Note the intent of the Combined Authority to submit for the £20m LUF, an application for development of the Phase 3 of the Peterborough University, in the form of a second teaching building.

Voting arrangements: A simple majority of all Members

## 1. Purpose

- 1.1 To gain approval for the processes being co-ordinated by the Combined Authority for the selection of bids to the Levelling-Up Fund (LUF) and the Community Renewal Fund (CRF) from constituent Local Authorities to the Government on 18th June 2021.
- 1.2 To provide the opportunity for bids to be put forward to the Government by that deadline and in advance of the Combined Authority Board meeting on 30th June 2021, via a Mayoral Decision Notice, subsequent to the Business Board meeting on 12th May 2021.
- 1.3 To provide the opportunity for final selection of bids for submission via the following process:
  - LUF by a Panel from each Local Authority, led by the Leader of the Local Authority and MP for each place, but with participation of the Mayor of Cambridgeshire and Peterborough and the Chair of the Business Board.
  - CRF by the Leaders from each Local Authority with consultation from the Mayor.
- 1.4 To inform the Skills Committee of the intent of the Combined Authority to lead the writing and development of a submission from Peterborough City Council for £20m to the LUF, to part fund the development of the Phase 3 of the Peterborough University, in the form of a second teaching building.

## 2. The Levelling Up Fund

- 2.1 The Government, through the publication of the LUF Prospectus (see summarised version as Appendix 1), has now provided details on the operation of the LUF. The main aspects of which are:
- 2.2 Any District or Unitary Authority in England can bid into LUF for regeneration projects of up to £20m in size.
- 2.3 Local Transport Authorities, including the Combined Authority, can additionally submit bids to LUF, for transport related projects up to £50m in size.
- 2.4 The Ministry of Housing, Communities and Local Government (MHCLG) has published a list of priority places as assessed by Government. LUF bids from Peterborough and Fenland will be prioritised. As bids are assessed in competition, evaluation will be weighted in favour of bids from these places. Only exceptional bids are likely to be approved from elsewhere.
- 2.5 Regeneration bids must improve those places in a way that helps level-up their economies in the longer term. Bids to the first round are to be submitted on 18th June, with evidence of physical build commencement by 31st March 2022 and completion by 31st March 2024.
- 2.6 Only one regeneration bid may be approved for the whole of the LUF programme to 2024 per place, per MP. Hence consideration will be given to whether a bid to the first round should be foregone on the basis that better project ideas might come forward or be

developed given more time.

- 2.7 The Government has delegated individual Unitary and District Authorities the role of promoting the fund, collecting project ideas, and selecting them for bidding, locally. The Combined Authority has no formal role in the selection process of projects to be bid.
- 2.8 However, a process for selecting candidate LUF regeneration bids has been co-developed, based on a voluntary arrangement agreed between the Combined Authority, Peterborough City Council (PCC) and Fenland District Council (FDC).
- 2.9 This voluntary arrangement between the three authorities provides a clear and transparent bid candidate collection and evaluation process, within which a quality scoring matrix is employed and is provided as Appendix 3. This process has been co-designed with the Combined Authority's transport directorate to ensure consistency between the process of selection of bids for both LUF regeneration and transport projects.
- 2.10 The Business Board has provisioned £60,000 from the 2020/21 Medium Term Financial Plan (MTFP) to support the production of first round regeneration bids to LUF and their associated business cases. Bid candidates scoring above a specified quality threshold within the bid candidate evaluation process will gain access to this fund to maximise subsequent chances of success in the Government's evaluation of the actual bid. In addition to this, MHCLG is providing £125k of capacity funding to both PCC and FDC to support their costs of bid development.
- 2.11 The CPCA, in collaboration with PCC, is promoting the LUF as an opportunity to bid for regeneration projects, and has organised a "call for proposals" for bid candidate projects to feed into the evaluation process. The call for proposals has been promoted to the business community, colleges and community/third sector organisations. PCC has elected to bid into the first round recognising that subsequent rounds will be run, but as a priority one place there is good chance of securing funds in the first round and this maximises the window of delivering the project once allocated.
- 2.12 FDC have elected to feed in bid candidate projects through an internal process involving officers and elected representatives. However, they will be using the same bid candidate evaluation matrix as PCC. Officers from FDC and the Combined Authority will evaluate candidate bids and agree a consensus score for each.
- 2.13 The evaluation scores will be presented to the Business Board to gain "Voice of Business input", from Business Board members to input into the process, with a summary of comments being submitted, along with the consensus evaluation scores, to a "Decision-Making Panel" for each Local Authority area. The Business Board will be invited to input via email to the Decision-Making Panel for LUF for Peterborough on 28<sup>th</sup> May and the Panel for CRF on the 9<sup>th</sup> June.
- 2.14 Officers will provide a verbal update at the Skills Committee meeting on the bids that were selected.
- 2.15 The members of the Decision-Making Panels for Peterborough and Fenland are contained within Appendix 3. Each panel includes the local MP(s), the Local Authority Leader (support from whom is mandatory for the selected bid), the Chair of the Business Board, the Mayor of Cambridgeshire and Peterborough, and a selection of Local

Authority area representatives.

### 3. The UK Community Renewal Fund

- 3.1 The Government, through the publication of a CRF Prospectus (see summarised version as Appendix 2), has now also provided details on the operation of the CRF. The main aspects of which are that:
- CRF bids from Peterborough and Fenland will be prioritised. As bids are assessed in competition, evaluation will be weighted in favour of bids from these places. Only exceptional bids are likely to be approved from elsewhere.
  - A single bid or collection of bids up to a maximum of £3m from any Local Authority place may be put forward to the CRF in 2021, but PCC and FDC are equally priority places for CRF for mainly revenue projects to be delivered over a 6-month period to 31st March 2022, to support short term economic recovery.
- 3.2 The Government has decided to designate the Combined Authority as a “Lead Authority” for CRF in its area, including the role of promoting the fund, collecting candidate bids and selecting them for the shortlist that is submitted to Government for final decision on any successful funding award.
- 3.3 On a mandated basis, the Combined Authority through the Business Board, is coordinating the design and implementation of a clear and transparent bid candidate collection and evaluation process, for which the scoring matrix is provided as Appendix 3. Officers from PCC, FDC and the Combined Authority will evaluate candidate bids and agree a consensus score for each.
- 3.4 The Business Board has provisioned £60,000 from the 2020/21 MTFP to support the production of first round bids to CRF and their associated business cases. Bid candidates, scoring above a specified quality threshold within the bid candidate evaluation process, will gain access to this fund to maximise subsequent chances of success in Government evaluation of the actual bid. In addition to this MHCLG are providing the Combined Authority with £40k grant funding specifically to support the Authority’s role in bid coordination and appraisal.
- 3.5 The Combined Authority is promoting the CRF as an opportunity to bid for projects and has organised a “call for proposals” for bid candidate bids to feed into the evaluation process. The call for proposals has been promoted to the business community, colleges and community/third sector organisations. It is anticipated that further opportunities to bid to the CRF or its replacement Shared Prosperity Funding will be provided annually. Hence, there is no requirement to consider whether a bid to the first round should be foregone on the basis that better project ideas might come forward or be developed given more time.
- 3.6 The Officer evaluation scores will be shared with the Business Board to gain “Voice of Business input”, by email during second half of May so all Business Board members get a chance to input into the process, then this summary of BB comments and scores will be included into the scoring and ranking of CRF bids that will be recommended to Leaders and proposed to the Mayor for final decision via a Mayoral Decision. The Business Board will be invited to assess each project via email during second half of May 2021 and the CRF

decision will be considered by Leaders.

3.7 At the time of publication of this paper, the bid candidate projects received and being fed into the evaluation process included:

- A six-month programme, across Peterborough and Fenland, to connect workers and young people displaced by the COVID impacts onto our economy, with jobs in growth firms and learning opportunities to re-skill or upskill, to aid transition into sectors with greater availability of jobs.
- A six-month business start-up programme, across Peterborough and Fenland, that comprises a mix of grant support with coaching and mentoring for displaced workers unable to find employment and wishing to explore self-employment and starting their own firm. This programme would form a pilot to test both the market demand and the delivery processes for a longer-term programme.

The Mayor will consult with the Leaders of the Constituent Authorities on which bids are submitted to Government on the 18<sup>th</sup> June 2021. The Mayor will then make the decision using his general power of competence.

## Significant Implications

### 4. Financial Implications

- 4.1 The combined total of £120k of funding to support development of both LUF and CRF bids and business cases is within already approved budgets in the medium-term financial plan. The Combined Authority has yet to allocate the £40k capacity funding to a specific workstream.
- 4.2 Should any of the bids being proposed for the Community Renewal Fund, or the CA's own bid for the Levelling Up Fund succeed, the Combined Authority will receive funding ringfenced for the delivery of these projects.

### 5. Legal Implications

- 5.1 There are no direct legal implications.

### 6. Other Significant Implications

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

### 7. Appendices

- 7.1 Appendix 1 – Levelling-Up Fund Prospectus Summary

7.2 Appendix 2 – Communities Renewal Fund Prospectus Summary

7.3 Appendix 3 - LUF and CRF Bid Candidate Scoring Evaluation Matrix & Decision Making Panel

## 8. Background Papers

8.1 None