



Agenda Item No: 2.2

## Strategic Funds Management Review - September 2021

To: Business Board

Meeting Date: 14 September 2021

Public report: Yes

Lead Member: Chair of the Business Board, Austen Adams

From: Director Business and Skills, John T Hill

Key decision: No

Recommendations: The Business Board is asked to

Note all programme updates outlined in this paper.

## 1. Purpose

- 1.1 This report provides the Board with an update on the strategic funding programmes that it is responsible for, this report covers progress to 1 August 2021. This includes the following:
- (a) Monitoring and spending performance of allocated funds
  - (b) Individual Project updates by exception including funding repatriation.
  - (c) UK Community Renewal Fund (CRF) update and Lessons Learned
  - (d) Future Funding and pipeline preparation

## 2. Background

- 2.1 The Local Growth Fund (LGF) £146.7m programme was closed and all spent by 31 March 2021 but programme outcomes are still being delivered beyond 2021. Local Growth Funds provided Grants, Loans or other forms of funding such as Equity Capital Investment.
- 2.2 The £14.6m Getting Building Funding (GBF) was awarded to the Cambridgeshire and Peterborough Combined Authority in July 2020 to be spent by the end of March 2022 and projects delivered to completion during 2022. The Business Board awarded the £14.6m GBF to the Net Zero Manufacturing Research and Development Innovation Centre, University phase 2 project at an extraordinary Business Board meeting on 19<sup>th</sup> October 2020. This decision was then ratified by Mayoral Decision Notice and reported at the Combined Authority Board meeting on 27 November 2020.
- 2.3 The UK Community Renewal Fund is a new funding programme announced in March 2021 and, in its role as the Lead Authority for the Cambridgeshire and Peterborough area on this fund, the Combined Authority submitted 7 applications to the value of £6.6m to the Ministry of Housing, Communities and Local Government (MHCLG) by a deadline of 18 June 2021.
- 2.4 The only Levelling Up Fund round 1 application made from the Combined Authority area was the ARU Peterborough application for a Living Lab and University Cultural Quarter project within MP Paul Bristow's constituency. The Government has yet to announce the outcome of assessing the round 1 bids, but the announcement is expected in the Autumn. Fenland District Council are developing a LUF application ready for round 2 submission with support from the Combined Authority. The Combined Authority are also developing their bid, as the Local Transport Authority, for round 2.
- 2.5 The launch of the Shared Prosperity Fund will be announced by the Government as part of Comprehensive Spending Review in Autumn 2021. The Combined Authority may be selected by the Government as the Lead Authority to manage UKSPF in the region. The Strategic Funds Team are planning to further develop the potential pipeline of projects that could form strong applications to this fund when the Government calls for shortlisted applications.

### 3. Programme Spend

- 3.1 The £146.7m Local Growth Fund programme closed on 31 March 2021 with all funding awarded to a portfolio of 51 projects including the grant schemes and included the allocated Combined Authority fund management costs. The total spent on the LGF programme totalled £134,780,256 at 31 July 2021.
- 3.2 The £14.6m GBF is fully awarded including the £827,000 grant to PCC for provision of a car park infrastructure to support this project. The shareholders agreement covering the majority of the funding has been signed and the grant funding agreement with PCC is still being finalised, and is expected to be signed off after the summer.
- 3.3 The Business Board awarded a further £2m from its future recycled funding budget in June 2021 to the University phase 3 project – this award is conditional on securing a full funding package from LUF and the partners first. This award will not be drawn until later stages of the project and the other funds spent first.
- 3.4 The table below summarises the current strategic growth funding received, deployed and being bid for that relate to the Business Board. This table does not include the £50m Levelling Up Fund Transport bid opportunity which the CPCA is Lead Authority for:

Funding Stream	Stage	Status	Type	Source	£m
Local Growth Fund	Won	Fully Contracted	Delegated	BEIS	146.70
Getting Building Fund	Won	Fully Contracted	Competitive	MHCLG	14.60
ERDF - Growth Service	Won	Fully Contracted	Delegated	ERDF	5.29
ESF - Growth Service	Won	Fully Contracted	Delegated	ESF	2.04
Community Renewal Fund	Bidding	To be Contracted	Competitive	MHCLG	5.00
Levelling Up Fund - PCC	Bidding	To be Contracted	Competitive	MHCLG	20.00
Levelling Up Fund - FDC	Planned	To be Contracted	Competitive	MHCLG	20.00
Shared Prosperity Fund	Planned	To be Contracted	Competitive	MHCLG	90.00

- 3.5 The table below summarises the projects currently being funded out of the Business Board recycled funds:

#### LGF Recycled Fund

Project	Description	Date Approved	Start Date	End Date	Amount £M
Recycled Funds					
Illumina	Accelerator programme member organisation investment	Jan-19	Apr-21	Mar-24	2
Business Growth Service - Equity Investment	Matched equity investment into high potential businesses	Nov-19	Apr-21	Mar-24	5.7
Business Growth Service - Growth Grants	Capital grants for SMEs to enable rapid and progressive growth in the region	Nov-19	Apr-21	Mar-24	2.7
Levelling Up Fund - match funding	Match funding to Phase 3 of the ARU Peterborough Innovation and Teaching building	Jun-21	TBC	TBC	2
Total Recycled Funds Awarded					12.4

## 4. Programme Monitoring

- 4.1 The Monitoring of all live projects in delivery is conducted by the Strategic Funds team on a monthly and quarterly basis. The Business Board is asked to note the latest updated monitoring report for all completed and live projects attached at Appendix 1.
- 4.2 The most recent monitoring update gathering exercise, carried out in June by the Strategic Funds Team, shows that there have been 4,152 actual jobs created reported from all projects. It should also be noted that the Local Growth Fund dashboard is available to Business Board members and contains quarterly updated project outputs and outcomes, it can be found on the CPCA website:  
[Local Growth Fund | Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](https://www.cambridgeshirepeterborough-ca.gov.uk)
- 4.3 Full Evaluation of the Eastern Agri-tech Growth Initiative and the £2.03m Growth Works Capital Grant scheme and the Covid Capital Grant scheme is being commissioned with procurement and will be undertaken in the second half of financial year 2021-22.

## 5. Project Updates by Exception

### 5.1 Cambridge Autonomous Metro project - One Cam Ltd

At the Combined Authority Board meeting on 28th July 2021, it was agreed that the work of One CAM Limited be suspended until a comprehensive review of the One CAM programme and the Local Transport Plan be completed. The Combined Authority Board also authorised a material reduction in the activity of One CAM Limited pending a final decision in relation to the CAM Programme.

The Combined Authority Board also requested that the Chief Executive and the Director of Delivery and Strategy bring a report to the Combined Authority Board meeting on 28 September 2021 to recommend the future steps in relation to the One CAM project and the further use or permanent closure of One CAM Limited.

### 5.2 Wisbech Access Strategy project

At its meeting on 28 July 2021, the Combined Authority Board ratified the Business Board decision to reject the Project Change Request for the Wisbech Access Strategy Project. Officers have written to Cambridgeshire County Council informing of the rejection of the Project Change Request and requesting a full and final set of project spend accounts for the LGF awarded and paid over in March 2020. From this final project reconciliation, once received, officers will be able to advise on the exact figure of LGF to be repatriated.

At its meeting on 25 August 2021, the Combined Authority Board approved the funding required for this project to continue to the completion of detailed design. As such there should be no closedown costs chargeable to the LGF, as costs from the date of ratification of the rejection of the change request will be met from the Combined Authority's approved budget.

## 6. Community Renewal Fund Update

- 6.1 The Community Renewal Fund was announced by the Government in the March 2021 Budget and subsequently the prospectus, application form and guidance has been published. The Combined Authority is the Lead Authority for the CRF and is therefore responsible for coordinating the bidding process, administering award and monitoring of funds once allocated from the Government.
- 6.2 The final shortlist of applications for the Combined Authority area was submitted to the Government on 17 June 2021, before the deadline. The Government has not yet announced successful allocations to each lead authority against those bid shortlists at the time of writing this paper.
- 6.3 The Strategic Funds Team are awaiting MHCLG to announce which projects have been approved and the total value of the award through the Combined Authority.

## 7. Future Funding and Pipeline Preparation

- 7.1 Following the completed submissions to the Community Renewal Fund and Levelling Up Fund Round 1 in June, there will be preparation work on applications for the LUF round 2 from Fenland District Council, developed with support from Combined Authority officers. The Combined Authority is developing its own LUF bid, as the area's Local Transport Authority, for submission into round 2.
- 7.2 In Autumn 2021 the Government will announce the Comprehensive Spending Review for the next four years, and this will include full details and criteria for the UK Shared Prosperity Fund (SPF). Officers have a current pipeline of potential projects that could be developed further into applications to the new UKSPF when the Government calls for project shortlists to the new fund. This live pipeline of potential project ideas is attached at Appendix 2.
- 7.3 The Business & Skills Directorate are starting to develop an investment strategy and the Business Board will be consulted and asked to input into this work during October. The early officer work has identified a possible 14 strategically important projects which may be the key projects that the Directorate might lead. One page outline details are being worked up into this investment strategy, which will be brought back to the Business Board at its meeting in November 2021.
- 7.4 Officers have begun the strategic breakdown of the pipeline to analyse in preparation for the possibility of a call and shortlisting of projects once the UKSPF is announced in November and the criteria of the fund published. In Appendix 2, projects have been initially categorised into Progress, Hold or Hand-off status based on suitability for Business & Skills, plus their likely readiness to bid by the autumn. However, this will keep being assessed as details of UKSPF and its criteria becomes known.

## Significant Implications

### 8. Financial Implications

8.1 There are no direct financial implications.

### 9. Legal Implications

9.1 There are no legal implications.

### 10. Other Significant Implications

10.1 None.

### 11. Appendices

11.1 Appendix 1 – Business Board LGF Investment Monitoring Report (August 2021)

11.2 Appendix 2 – Pipeline for Future Funding (August 2021)

### 12. Background Papers

12.1 Allocation of Getting Building Fund  
[CA Board 25 November 2020 Agenda Item 3.2](#)

12.2 Future Transport Strategy and OneCam Ltd  
[CA Board 28 July 2021 Agenda Item No 3.1](#)

12.3 Strategic Funding Management Review  
[CA Board 28 July 2021 Agenda Item 4.1](#)

12.4 Wisbech Access Strategy (Phase 1)  
[CA Board 25th August Agenda Item 2.1](#)

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

12.6 Eastern Agri-tech Growth initiative guidance and application forms,  
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/>

12.7 List of funded projects and MHCLG monitoring returns,  
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/>

12.8 Local Industrial Strategy and associated sector strategies,  
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/>