
GROWTH PROSPECTUS 2019-21



HM Government



THE BUSINESS BOARD



CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY



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GROWING THE CAMBRIDGESHIRE AND PETERBOROUGH ECONOMY

INTRODUCTION

The Business Board exists to support the local economy to grow, creating more jobs and supporting industry to become more productive. It has worked alongside the Combined Authority and the Department for Business, Energy & Industrial Strategy, to produce and launch the Local Industrial Strategy for Cambridgeshire and Peterborough. Businesses and partner organisations are now invited to bring forward investment proposals that will support the delivery of this Local Industrial Strategy.

This is an open call – that will last until all available resources have been invested, or the Board decides to issue further instruction. However, it should be clear to potential applicants that timing is imperative – projects funded through this route must be able to expend the monies applied for by March 2021, although the jobs, growth and skills outcomes that result will be collected for several years after that point.

LOCAL INDUSTRIAL STRATEGY PRIORITIES

The Local Industrial Strategy (LIS) has been agreed locally following from the publication of the Cambridgeshire and Peterborough Independent Economic Review (CPIER) and a subsequent period of stakeholder engagement to define the LIS. Currently in its local-draft form, the LIS is currently going through a process for final agreement with Government, and national adoption as part of the OxCam Arc set of four LIS. The locally agreed draft LIS is available here; (insert link once approved)

The objective within the strategy is to focus resources onto **the generation of global, productive, and inclusive growth**. With the key priorities to;

Improve the long-term capacity for growth in Greater Cambridge

Increase the sustainability and broaden the base of our economic growth across the area

Expand and build on the clusters and networks that have enabled Cambridge to become a global leader



The LIS further details the specific areas of focus identified within the “foundations of productivity”:

Infrastructure	The planned transport, digital and energy interventions across the Combined Authority partnership
Business Environment	Delivering an integrated approach to business support, ensuring our highest potential businesses have the access to the right kind of space at every part of their evolution and access to growth coaching and support networks to help them
Ideas	Harnessing innovation as a tool for business growth, enabling more of the ideas generated by world class research in our patch to get to market more effectively and at scale
People	Improving levels of education and training to ensure that business has the supply of skills it needs, and our people are provided with more and better opportunities to reach their potential
Place	Implementing all of the above with close regard to the distinct needs of Greater Peterborough, Greater Cambridge and the Fens

The key metrics for the achieving the above objectives are:

- **New jobs created**
- **Productivity increase (measured by GVA per hour worked)**
- **Trade and Export increase (measured by percentage of turnover)**
- **New business space matched to the needs of key sectors**
- **New apprenticeships**
- **Skills progressions in line with local employer need**
- **Provision of new skills facilities in line with the needs of key sectors**

The pioneering local alignment of the Business Board with the Mayoral Combined Authority, and the associated devolution of funding and powers to Cambridgeshire and Peterborough, means that this prospectus is far more focused on supporting productivity and direct economic growth than previously possible. The provision of major transport infrastructure and housing is now largely within the remit of the Combined Authority, which will be delivered to support business growth as it naturally occurs. In parallel and



partnership, the Combined Authority's Business Board will actively stimulate and support future business growth to be:

More inclusive across our cities and towns to spread prosperity and opportunity more evenly;

More productive to increase competitiveness and ease pressures on public services, housing and transport;

More global in nature to increase exports and inward investment into our economy

The evaluation of investment proposals for funding, will be closely aligned to the objectives and prospective interventions described in the LIS.

LOCAL GROWTH FUND

Growth Deals provide capital funding from the Government's Local Growth Fund via Local Enterprise Partnerships (LEPs). LEPs then invest in local projects which help overcome strategic barriers to growth. Between 2014 and 2016, the area successfully bid for three tranches of Local Growth Funding, via 'Growth Deals' with Government.

The value of this programme is £146.7 million which must be spent between 2015 and 2021. Of this, around £96 million is committed to projects, leaving £50 million left to allocate and spend.

Growth Deal is capital funding only, to be invested as loan or grant in projects or programmes which will have significant impact on growth in the LEP area. All funding set out in the prospectus is available across the Greater Cambridge Greater Peterborough area - Cambridgeshire, Peterborough, Rutland, Kings Lynn West Norfolk, St Edmundsbury and Forest Heath (West Suffolk), North Hertfordshire, South Kesteven, South Holland and Uttlesford, Essex. Funding originally allocated across this geography will continue to be available to this geography, until which point it is fully invested. Further funding provided to the local area will be allocated subject to Government's confirmation of LEP geographies nationally.

Also available for investment into the provision of direct business support and growth activity matched closely to the Local Industrial Strategy is the remaining £6 million of Growing Places Funding, which can be considered by the Business Board as either revenue or capital. However, the Business Board has prioritised this funding towards the implementation of the new business support services described in the LIS for a Growth Service, an Inward Investment Service and a Skills, Talent and Apprenticeship Brokerage.

The Business Board will receive and consider new applications for funding which will be recommended to the Combined Authority for approval, contracting and monitoring.



Picture: Peter Brotherhood, Peterborough

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FUNDING CALLS AVAILABLE THROUGH THIS PROSPECTUS

OPEN CALL FOR PROPOSALS TO IMPLEMENT THE LOCAL INDUSTRIAL STRATEGY

An open invitation for proposals that can demonstrate delivery against the LIS, which represents value for money.

The Business Board expect:

A benchmark of £5,000 per job created – which takes into consideration both direct and in-direct jobs, given that these can be robustly demonstrated

To provide loans as a preference, so that local funding can continue to be reinvested in local growth but will also provide grants.

The provision of grants will be allocated based on proposals that demonstrate multiple beneficiaries, and within priority locations and sectors highly effective delivery of specific objectives of the LIS.



DIRECT BUSINESS GROWTH GRANTS SCHEME

An evolution of the Small Grants Scheme from the previous prospectus and learning from evaluation of impact by updating the grant thresholds and percentage of match required from applicants.

Grants are available where businesses can demonstrate that the grant will support the provision of new jobs, productivity improvements, and are within the strategic growth sectors identified within the LIS.

The Business Board expect:

A benchmark of £10,000 per job created – which takes into consideration direct jobs, given that these can be robustly demonstrated

to provide grants for capital purchases that improve productivity and create capacity to grow.

BELFRY FAÇADE SYSTEMS LTD

Belfry Façade Systems Ltd are a specialist roofing and façade systems fabrication company, offering the fabrication of a range of building envelope systems both in the UK and abroad.

From the £4,961.66 awarded from the Small Grants Scheme, they are looking to offer a new system to its service offer, which now makes up 33% of its turnover and create new employment opportunities that will contribute to the growth of the company.

Mayor of Cambridgeshire & Peterborough James Palmer went to visit Belfry Façade Systems Ltd, to tour the facility, Mayor James Palmer said:

“Belfry is a pioneering business, with both domestic and International custom, and this grant will help push their enterprise to a new phase of growth and create new job opportunities for new people I’m looking forward to seeing how our Business Board can support more SMEs throughout Cambridgeshire and Peterborough, fostering the economic growth that is central to its mission.”

Pictures: Belfry Façade Systems with Mayor James Palmer





BUSINESS GROWTH PROGRAMME

If seeking investment greater than £20,000 but less than £3 million, the Business Growth Programme is focused on unlocking jobs and accelerating economic growth.

Activities funded through the programme include;

- **Facilitating drivers of growth e.g. through loans for businesses to grow**
- **Construction of new office, specialist space (eg. laboratories) or general employment space**
- **Infrastructure and access works to unlock commercial or mixed-used developments**
- **Acceleration of delivery of Cambridge Compass and Alconbury Weald Enterprise Zones**
- **Site servicing to support the creation of new employment space and new 'Productivity Zones'**

The Business Growth Programme will provide loan finance for capital projects – generally between £20,000 and £3 million. Projects should be able to pay back the loan in less than three years (although longer periods may be considered).

The Combined Authority does not have standard interest rates for loan investment. Loan terms are calculated on a scheme by scheme basis subject to applicant's creditworthiness and security being offered.

Grants may be considered in exceptional circumstances ie where applicant has no ability to accept and repay loan funding or where an activity has a State Aids exemption applied, for example innovation activity.

Please note: The Business Growth Programme carries an administration fee applicable to any successful investment award, to cover legal and technical costs of the Combined Authority. This will be proportionate to the amount of funding sought and usually be no more than £1,500.

LANCASTER WAY, ELY

Grovemere Property first approached the Local Enterprise Partnership in 2015 to assist with the expansion of Lancaster Way Business Park in Ely. Over two rounds of Growth Deal funding, the LEP was able to provide a mixture of grant and loan which enabled the delivery of new employment space plus infrastructure investment into further phases of the business park.

Picture: Lancaster Way Business Park, Ely courtesy of Grovemere Property.



EASTERN AGRI-TECH GROWTH INITIATIVE (CONTINUED)

The Eastern Agri-Tech Growth Initiative is designed to support the development of new and innovative ideas within the Agri-Tech sector. Run by the Cambridgeshire & Peterborough Combined Authority, the Initiative has two main funds that can help support local businesses:



Agri-Tech Growth Fund	Offers grant funding of between £10,000 and £150,000 to support product development and improve agricultural productivity.
Research, Development and Prototyping Fund	Helps to support the research and development of new products or processes with grants of between £10,000 and £60,000.

These grants are open to businesses located within **Cambridgeshire, Peterborough, Norfolk, Suffolk, Rutland, North Hertfordshire, South Holland, South Kesteven** and **Uttlesford**.

To date, the initiative has supported a wide range of businesses, including food and drink producers and growers, bespoke equipment and chemical manufacturers and innovative IT companies who supply to the agricultural sector.

HOW TO APPLY FOR EASTERN AGRI-TECH GROWTH INITIATIVE FUNDS

You can find out more about the funding available by downloading the latest [guidance notes here](#), and our [pre-qualification questionnaire here](#).

If you would like to know more about the Agri-Tech grants programme you can contact Programme Manager, Martin Lutman, via info@agritechgrants.co.uk or by calling 01480 277180.

PECK DRINKS

The Suffolk-based start-up PECK Drinks successfully applied twice to the Eastern Agri-Tech Initiative for assistance. The company received £40,000 through the R & D fund and later for a second cash boost of £10,000 to help develop its new product. PECK has created a "convenience" food format for egg whites, acknowledging their complete source of nutrition, and fulfilling a previously overlooked gap in the health food market.



Picture: Matt Havers from King Farm Foods



Picture: Launch of iMet Skills Training Centre, Alconbury Weald

SKILLS CAPITAL FUND

To support the delivery of the People section of the Local Industrial Strategy, and the more detailed CPCA Skills Strategy, capital funding can be used to invest in improved skills, increased numbers of learners, infrastructure or skills equipment – particularly where this is in line with the key growth sectors set out in the respective strategies.

IMET

Growth Deal funds of £10.5 million were awarded in 2016 for the design, construction and fit out of a new vocational skills centre at Alconbury Weald Enterprise Campus near Huntingdon. iMET, a collaboration between Cambridge Regional College and Peterborough Regional College, provides innovative training to the construction, manufacturing, digital and science sectors.

Picture: iMET, Huntingdon



CALL FOR MAJOR PROJECTS

To date, our Growth Deal programme has been mainly focused on transport and infrastructure schemes, investing in city centre roads and cycleways in Peterborough, a new southern bypass at Ely and a railway crossing on the A605 at Whittlesea.

With the remaining funding, the Business Board would like to invest in projects that have an emphasis on creating new job opportunities through delivery of new employment infrastructure. As well as providing investment into business growth via the range of funding programmes outlined above, the Combined Authority is inviting applications for loan or grant funding, or other proposed models of investment, into major capital projects seeking £3 million and over.

With the **£50 million Growth Deal funds** available, we expect to deliver at least **10,000 new jobs**, which equates to an average investment of £5,000 per job. For example, if a project were to receive £5 million of Growth Deal investment, we would expect at least 1,000 jobs to be directly created as a result.

Project Proposals should align with the Combined Authority's 2030 Vision and the recommendations of the Independent Economic Review (CIER) which was published in September 2018 (see www.cpier.org.uk) and with the Authority's priorities and programmes.

For example, the Review has found that the Cambridge economy has special features and sectors which are of national (and international) significance so project proposals might include provision of new employment infrastructure (business

parks, premises) which respond to this in a particular way.

The Combined Authority is looking at the potential of developing new **'Productivity Zones'** across its geography. Proposals are welcome which take this idea further.

Similarly, the Authority has announced a series of Market Town masterplans which respond to a need to improve employment opportunities for people where they already live.

**CALL FOR MAJOR PROJECTS
WILL OPEN ON
MONDAY 22ND JULY 2019
AND CLOSE MARCH 2021.**

**FOR UP-TO-DATE CLOSING DATES VISIT:
CAMBRIDGESHIREPETERBOROUGH-CA.GOV.UK**



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HOW TO APPLY

KEY CONTACTS AND FURTHER INFORMATION

All programmes except the Call for Major Projects will open for new applications from **22nd July 2019**.

If you would like an informal discussion prior to completing an Expression of Interest (EoI) contact the New Projects Officer, Louisa Simpson. Email: louisa.simpson@cambridgeshirepeterborough-ca.gov.uk

Potential applicants to programmes within this Prospectus should email GrowthFunds@cambridgeshirepeterborough-ca.gov.uk or call **01480 277180** in the first instance. Your enquiry will be forwarded to the appropriate team to guide you through the application process.

If you are interested in applying directly to the Eastern Agri-Tech Growth Initiative, please contact the Agri-Tech Sector Specialist, Martin Lutman. Email: martin.lutman@cambridgeshirepeterborough-ca.gov.uk or call **01480 277180**.

Following the launch of the Prospectus, on 22nd July prospective applicants will be able to access information relating to the process via the CPCA website, www.cambridgeshirepeterborough-ca.gov.uk, in order to download and complete the EoI.

Applications to this call for major projects will be from the public or private sector, or other delivery organisations for example joint venture companies - provided they are of a legal entity able to enter into a funding agreement with the Combined Authority. The Authority will carry out due diligence in respect of all applications for Growth Funds.

Following Expression of Interest, the Authority will then confirm the organisation's eligibility, and request a full proposal in the form of a Full Application Form, in line with the Local Enterprise Partnership's Assurance Framework.

Applicants proceeding to Full Application will be supported through the process to approval and contract, but should refer to the Treasury's Green Book guidance if unfamiliar with



applying for public investment at www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government. There may be a requirement for applicants to present their project to a small expert panel.

ANNEX: CALL FOR MAJOR PROJECTS - GUIDANCE FOR APPLICANTS

- The Government has agreed Growth Deal funds to be used for businesses and projects in the following local authority areas;
 - Cambridgeshire
 - Cambridge City
 - South Cambridgeshire
 - Huntingdonshire
 - Fenland
 - East Cambridgeshire
 - Peterborough City
 - Rutland
 - Suffolk – St Edmundsbury and Forest Heath, together referred to as West Suffolk
 - Hertfordshire – North Herts only
 - Essex – Uttlesford only
 - Lincolnshire – South Kesteven and South Holland
 - Norfolk – Kings Lynn and West Norfolk.
- This prospectus is seeking applications primarily capital investment only.
- The maximum investment to be provided as a proportion of total project cost (tpc) will vary from project to project to be determined. For the purpose of developing a Full Application under the call for major projects, this is likely to be no more than 50%.
- The Combined Authority does not have standard interest rates for loan investment. Loan terms are calculated on a scheme by scheme basis subject to applicant's creditworthiness and security being offered.
- **Start Date** - the funding period for projects will run from the date of approval by the Cambridgeshire and Peterborough Combined Authority (CPCA) or as specified within the funding agreement. Projects can start before this date, but any committed expenditure is at risk and makes no obligation to CPCA prior to funding approval.
- **End Date** - Growth Deal funding must be spent at the latest by 31 March 2021, or earlier as specified within the funding agreement. Practical completion for projects can be a later date.
- Applicants should seek their own advice on State Aids implications of the proposed project, and evidence of this will be sought as a condition of funding. Growth Deal funding cannot be used towards State Aids or other legal costs incurred by the project delivery body as part of the application process. CPCA will not reimburse legal or other costs incurred during applications, whether the application successful or unsuccessful in seeking funding.



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