

STRATEGIC FUNDING PIPELINE DEVELOPMENT PLAN 2021-22

This draft outline plan aims to develop a stronger, inclusive, and more strategic aligned pipeline of project opportunities in preparation for the period 2021 onwards, after allocation of the Local Growth Fund Round 3 and Getting Building Fund.

LOCAL GROWTH FUND AND GETTING BUILDING FUND PROGRAMME POSITION

The Local Growth Fund (LGF) £146.7m awarded through three rounds will have been primarily spent by 31 March 2021 but programme outcomes will be delivered beyond 2021 for several years. Monitoring and evaluation of all completed projects will be conducted during 2021 and 2022 to establish the most accurate figures on outputs/outcomes.

Getting Building Fund (GBF) £14.6m was allocated to the Cambridgeshire and Peterborough Combined Authority (CPCA) in Summer 2020 and awarded to the University of Peterborough Phase 2 R&D Centre during November 2020.

There may be opportunities for further re-investment of these funds once some of the projects return some or all funding back to the budget for recycling the funds. These particular projects are able to return funding as a result of the LGF and GBF being awarded as loans or equity investments during the period up to March 2021. (See annex 1).

Following the review of processes the findings and recommendations have fed into this starter list of ideas to develop the pipeline, also new strategies and refreshed strategies, especially in light of COVID-19 impact and economic downturn have to be considered as potential for new strategic projects.

New tranches of funding awarded from Government after March 2021, such as any new funding similar to LGF, GBF or new UK Shared Prosperity Funding (UKSPF) from April 2022, will also bring with them criteria that will direct or focus the targeting considerations for investment prospectus calls out to develop a pipeline of applications, so its slightly difficult to entirely pin down now the strands of focus for this funding.

PROPOSED ACTIONS TO DEVELOP PIPELINE:

- Engagement of key Strategically important Private sector corporations and companies – engage in a dialogue with at least 2 or 3 key companies in each District and across key sectors. Key Account Management with twice annual discussion of strategic investment plans to take some projects into the Strategic pipeline.

- Strategic meetings with Local Authorities at least once a quarter with the Economic Development teams to discuss the pipeline of development projects in those Districts and the requirements and parameters to bring them forward – adding those projects into the Strategic pipeline.
- Key strategic projects derived from the finalisation and implementation of the medium- and long-term parts of the Local Economic Recovery Strategy (LERS) feeding into the Strategic pipeline
- The refresh of the CPCA Local Industrial Strategy (LIS) will provide for both medium- and long-term Key strategic projects which the Strategic pipeline can take forward.
- Sector focussed and Sector led investment and support projects from the key CPCA sector strategies developed and refreshed by the Business Board to feed into the Strategic pipeline.
- Skills, Employment and community development projects either derived from the CPCA Skills Strategy or from the wider Skills and Adult Education work through the Business Board (potentially UKSPF focussed as transition in a post ESF environment)
- Future CPCA Annual Business Plans and Mayoral Priorities developed to address key projects and deliverables to be fed into the Strategic Pipeline.
- COVID-19 short-term impact funding such as grants issued through Government during periods of lockdowns or future (ERDF or UKSPF)
- Use of technology for project calls and through online engagement platforms (such as Hubspot) and project application management.
- Comms and Marketing planned to ally with key project calls focussed with any new investment prospectus, augmenting this activity with strategic engagement management across the key networks of the Business Board and wider business representative and sector networks.

Annex 1: Funding invested with potential return for reinvestment

LGF and GBF investments into Joint Venture company shareholding to be noted:

University of Peterborough phases 1&2 – CPCA majority shareholder in both phases through two Joint Venture (JV) companies. (£12.5m LGF and £13.4m GBF invested as shareholding)

Cambridgeshire and Peterborough Growth Co - CPCA majority shareholder and this JV company is part of the CPCA subsidiary group (£5.4m LGF invested as shareholding)

Cambridge Autonomous Metro (CAM) Special Purpose Vehicle (SPV) - CPCA majority shareholder and this will be part of subsidiary group pending Board approval (£995,000 LGF invested as shareholding)

Ascendal Transport Accelerator project JV Company – CPCA does not have a controlling share and will not be part of the subsidiary group. (£965,000 LGF invested as shareholding)

Smart Manufacturing Network JVC – CPCA will not be the controlling shareholder, CPCA will not have a controlling share. This project will not be required to be part of the subsidiary group. (£715,000 LGF awarded to be invested as shareholding)

In terms of other shareholding resulting from the LGF programme (both first three rounds and already recycled once):

Startcodon – LGF invested £3m into this fund to which will be investing equity into shareholding in various Life Sciences start-up and growth companies in parallel with other investors in the fund – this is arm's length arrangement with payback waterfall from years 5 to 7.

Medtech Accelerator – legacy LEP project with £500k invested into shareholding in various medical device start-up and growth companies in parallel with other investors in the fund – this is arm's length arrangement with future payback options.

Illumina Genomic Accelerator - £2.7m earmarked for seed investment into illumina's accelerator participants who are genomics related start-ups or growth companies - £100k investments in return for shares purchase via a SAFE agreement. CPCA directly providing these investments and this shareholding will provide future payback options.

Business Growth Service – within this service £6m being contracted as part of BGS to Gateley's which will be invested in shareholding for high growth companies – in parallel with £12m match funding from other investors. The BGS contract will be managed as an arm's length equity investment fund with future payback options.

All the above investments provide for future funding that will be able to be awarded in parallel to new funding allocations into Strategic pipeline projects.