



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 6.4
5 AUGUST 2020	PUBLIC REPORT

ACCELERATED 2021 LOCAL GROWTH FUNDING ALLOCATED TO THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BUSINESS BOARD

1.0 PURPOSE

- 1.1. Accelerated Access to the 2021 Local Growth Funding (LGF) budget allocation amounting to £14.6million was provisionally offered to the Business Board. The Business Board was asked to note the process by which these funds were awarded, to agree a plan to deploy the awarded funds and to formally accept the offer of this new tranche of LGF from the Cities and Local Government Unit.
- 1.2. These proposals were discussed at an Extraordinary meeting of the Business Board on 9 July 2020 where they were unanimously endorsed.
- 1.3. In order to meet the timescale for a response to Government, the Mayor made a Mayoral Decision on 15th July 2020 to formally accept the allocation of £14.6million accelerated Local Growth Funding on behalf of the Combined Authority, in its role as accountable body for the Business Board. The funding will be managed by the Business Board.
- 1.4. The report to the Business Board can be viewed via the link below. Item 2.1 refers:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2004/Committee/69/SelectedTab/Documents/Default.aspx>

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Chair of the Business Board
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: n/a	Key Decision: No

<p>The Combined Authority Board is recommended to:</p> <p>(a) Note the Mayoral Decision on [date], on the recommendation of the Business Board, to formally accept the allocation of £14.6million accelerated Local Growth Funding from the Cities and Local Government Unit on behalf of the Combined Authority;</p> <p>(b) Note the plan to deploy the awarded accelerated Local Growth Funding to the Business Board's No1 ranked priority project: Greater Peterborough Innovation Ecosystem, subject to it successfully completing the Local Assurance Framework application process including ratification by the Combined Authority Board.</p>	<p>Voting arrangements</p> <p>n/a</p>
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2.0 CONSIDERATIONS

- 2.1 The proposed Project which was ranked first in the assessment of all projects gathered and is the planned delivery focus of this allocation of £14.6million is the Multi-University Research Super-Hub. This project is the creation of an enhanced wrap-around Innovation Eco-System for the recently announced Anglia Ruskin University (ARU) Peterborough, a £33million new university in Peterborough.
- 2.2 This project aims to increase, higher value, more knowledge intensive and more productive growth in Peterborough and the surrounding northern half of the Combined Authority area. Changing the spatial distribution of economic growth and supporting an increase in innovation-based business growth across the whole of our local economy, was a key recommendation from the Cambridgeshire and Peterborough Independent Economic Review (CPEIR), but is now more imperative than ever.
- 2.3 As for a number of cities in the UK, the establishment of a university and associated innovation eco-system in Peterborough will produce the knowledge engine to drive the increased worker skills to raise business productivity, innovation, and knowledge intensity, in a way that creates a permanent shift in the rate of growth and economic recovery rate in these left-behind towns.
- 2.4 However, this does require a long-term programme that balances supply of improved skills level and human capital with the demand for it, created by indigenous and inward business growth, that is more knowledge intensive and higher value, requiring those higher level skills.

- 2.5 In the case of Peterborough and the Fens, this means the removal of the Higher Education Cold Spot, to generate more high-level skills, focused on key and higher value growth sectors such as high-value manufacturing and digital. Then in parallel the creation of an Innovation Eco-System to stimulate and supply of higher value jobs to provide opportunity for the increased number of higher-level skilled people.
- 2.6 Such an Eco-system, using the new university as its hub is being catalysed by the creation of the Multi-University Research Super-Hub project which is the proposed recipient of the allocated £14.6million new funding. A central multi-university innovation super-hub acting as the enabling core for an innovation eco-system to connect firms locally with global partners, knowledge and opportunities for growth.
- 2.7 This Phase 2 university project will establish an Advanced Manufacturing & Materials Research Centre to extend university delivery into research PhDs and create an innovation eco-system to drive business research across Peterborough and the Fens. The Combined Authority plus its Innovation delivery Partner, an established global player in promoting business investment in research and innovation has worked with over 1,000 businesses across the globe to raise over £325m for collaborative R&D between academia and business in just 10 years. This partnership will create an innovation eco-system for Peterborough to build new higher value firms and jobs, reversing a four-decade erosion in productivity, prosperity, and health outcomes.
- 2.8 This project will do this by:
- Constructing the Research Centre building in Peterborough's new town centre University Campus using the accelerated access to 2021 Local Growth Fund (LGF) funding.
 - Connecting the Centre into a Combined Authority funded £20m Business Growth Service, launching in October 2020, to support 3,000 firms to grow through innovation, business coaching, mentoring and access to growth capital.
 - Supporting Innovation Delivery Partner (IDP) to create a Multi-University Innovation Super-Hub, securing inward investment from 5 universities into Peterborough to create 8 specialist University Innovation Centres within the Super-Hub
 - Creating a unique Global-Local Innovation Network consisting of the IDP's 700 Industrial Members across the globe, with over 500,000 employees and a joint R&D investment of over £1.5bn pa, connected into a new Combined Authority funded Manufacturing Network of 200 firms across Peterborough & the Fens.
 - Supporting 200 local small and medium sized enterprises (SMEs) to participate in the research centre and its programmes over five years. Through the new Combined Authority Business Growth Service and Manufacturing Network, identify how innovation, new products and novel technologies can be harnessed, by local SMEs within the eco-

system created, to collaborate to grow faster and break into international markets.

2.9 The combined impact of the Phase 1 University academic teaching facility, and the Phase 2 Multi-University Research Super-Hub and innovation ecosystem, will be the creation of:

- 550 direct jobs in the 21/22 construction programme for both phases
- 321 direct jobs to staff both buildings in 22/23, rising to 718 by 25/26
- 1325 indirect jobs in 25/26 rising to a cum 14,170 by 29/30 & 31,500 by 34/35

It will also provide the key enabling component to arrest four decades of decline and reset the city's potential rate of recovery.

3.0 APPENDICES

3.1 Appendix 1 – Mayoral Decision Notice 15 July 2020

3.2 Appendices to the Business Board report:

Appendix A: Letter from MHCLG

Appendix B: Local Growth Fund Accelerated Access to 21-22 Allocations

Appendix C: Innovation Ecosystem

Appendix D: PCC Briefing Note - Innovation Ecosystem

These appendices are available to view via the link below. Item 2.1 refers:

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