

# GREATER CAMBRIDGE GREATER PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP

## OPERATIONAL PLAN (2013/14)

COLLABORATE – CREATE - CHAMPION

30/04/2013

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## Introduction

The Greater Cambridge Greater Peterborough Enterprise Partnership (GCGPEP) is focused on helping to drive forward sustainable economic growth in our area – with local businesses, education providers, voluntary organisations and social enterprises, and the public sector working together to achieve this.

Given the green light by Government on 26th October 2010, following the submission of a bid in September 2010, the Local Enterprise Partnership (LEP) now has a strong business-led Board in place, alongside a small core team.

The LEP is focused on delivering economic growth with a business-led remit to benefit the local area and its community. These changes will happen when we:

- **Collaborate** – with businesses, social enterprises, the voluntary sector, and the public sector to deliver sustainable economic growth
- **Create** – new jobs and the right conditions for enterprise growth including support for existing and innovative funding opportunities and initiatives
- **Champion** – the commercialisation of our knowledge base to achieve further growth in our key industries, and support our people to gain the skills required by employers

Our goal is to create an economy with 100,000 major businesses and create 160,000 new jobs by 2025, in an internationally significant low carbon, knowledge-based economy.

## Our strategy for meeting our goals and priorities

Our strategy for delivering on the vision and goals we established at the launch of the LEP is based on a pragmatic approach to resolving the critical barriers to, and meeting the opportunities for, economic growth, business and jobs creation in our area; combined with our views on how GCGPEP is best placed to add significant value. We have developed our understanding by developing a broad economic strategy for our area: the Growth Prospectus; as well as further work by the GCGPEP board to refine priorities and actions.

The GCGP area faces significant challenges and opportunities. Major long-term challenges relate to infrastructural constraints (transport and housing) and provision for the workforce needs of business, which are both regarded as inadequate to support sustainable economic growth. These long term challenges are also firmly within the context of one of the highest rates of population growth in the UK over the past 20 years - that is further expected to continue for the next 20 years.

Short-term challenges are mainly concerned with the after-effects of recession and the slow recovery of the UK and Western European economies – and the need to continue to support businesses in adjusting to the new economic landscape and finding new markets. The GCGP area also has a number of major assets and capabilities which represent opportunities. These range from the Enterprise Zone at Alconbury; world-class industrial and technological specialisms and capabilities across the area; to the vibrant and successful businesses in the area.

GCGPEP therefore takes a two-track approach – one that delivers some immediate stimulus and support for economic growth; and another that invests in the long-term economic growth prospects of the area. Although our resources are limited, we aim to use them, making the best impacts we can for our local economy. The recent announcement of the significant role of LEPs in developing European Funding Strategies for their areas; as well as Local Growth Strategies to access a ‘Single Pot’ of growth funds from the Government (as recommended in the ‘Heseltine Review’) has also informed our thinking about our operational needs for 2013/14. Clearly, to maximise the resources available for economic development and growth from these sources, we will need the capacity to effectively articulate our strategies and comply with the expectations

and requirements of the European Commission and the UK government. Therefore, provisions have been made in the Operational Plan to ensure that we successfully deliver to these particular challenges.

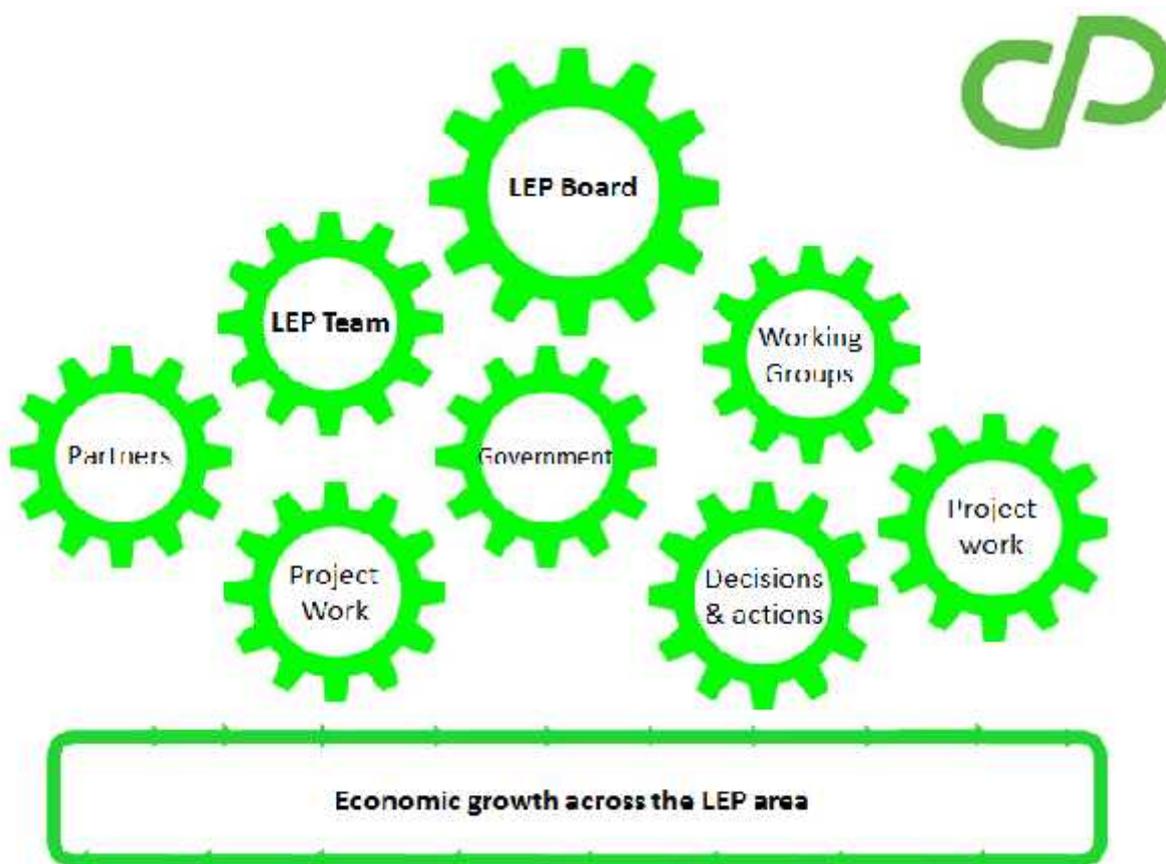
## Investing in growth: our approach

This one-year operational plan sets out how we will put in place actions in 2013/14 to begin to deliver these areas of focus. This year, the LEP has five priority work-streams, which are described in more detail in the following pages:

1. Enabling the development and occupation of Alconbury Enterprise Zone in line with partners' vision for the site
2. Advocating and influencing improvements to our area's transport infrastructure
3. Enabling business-led skills provision and improving the work readiness of the unemployed in target areas
4. Promoting enterprise growth and innovation
5. Improving international promotion, increasing inward investment and exporting

This draft operational plan for 2013/14 puts in place £4.7 million of investment over the next 12 months to help address these five key priorities. Through this, we intend to deliver 1,200 new jobs and to help 100 growth businesses; as well as pilot effective new approaches to helping businesses get the skills they need, and helping people into work through a VSE prize challenge fund. Further indicative planning suggests we will be making a further investment of £4.3m into our priorities in 2014/15.

## Working together



The LEP Board comprises 14 members recruited from the local area to provide strategic guidance and challenge to the work of the core LEP team.

Grahame Nix OBE – Chair of the Board – former Chief Operating Officer of Marshalls Aerospace, former Chair of Aeropeople Limited

Professor Mike Thorne PhD – Vice Chancellor of Anglia Ruskin University

Dr Lynn Morgan – CEO of the Arthur Rank Hospice Charity

Allan Arnott OBE – Former Operations Director of Caterpillar’s Industrial Power Systems Division

Professor Sir Richard Friend FRS FREng –Experienced businessman and Cavendish Professor of Physics at the University of Cambridge

Mark Reeve – Managing Director of Chalcroft (Construction), King’s Lynn

Trevor Ellis – Chairman of CS Ellis Groups (Haulage), Rutland

John Bridge OBE – Chief Executive of Cambridgeshire Chambers of Commerce

Dr Robert Swann – Entrepreneur and Angel Investor

Cllr Tim Bick – Leader of Cambridge City Council

Cllr Marco Cereste – Leader of Peterborough City Council

Cllr Terry King – Deputy Leader of Rutland County Council

Cllr Jason Ablewhite – Executive Leader of Huntingdonshire District Council

TBC – Leader of Cambridgeshire County Council

## DELIVERING GROWTH: OUR FIVE PRIORITY WORKSTREAMS

### Summary – GCGPEP’s five priority work-streams:

1. Enabling the development and occupation of Alconbury Enterprise Zone in line with partners’ vision for the site
2. Advocating and influencing improvements to our area’s transport infrastructure
3. Enabling business-led skills provision and improving the work readiness of school leavers
4. Promoting enterprise growth and innovation
5. Improving international promotion, increasing inward investment and exporting

### **Introduction: how we identified our priority workstreams**

The priority workstreams detailed in this operational plan are the result of three strands of work:

- I. The development and writing of the ‘Growth Prospectus’ that provided a strategic overview of the GCGP area and suggested a large number of objectives and priorities, with indicative actions/activities. The Growth Prospectus was put out to consultation, with feedback and views gathered from the public, private and third sectors.
- II. The GCGPEP board held two away days in December 2012 and January 2013 to discuss the Growth Prospectus, consultation responses, and the active prioritisation of workstreams, objectives and actions for the next 12-24 months. The result was a set of priorities and actions which the board agreed to take forward into a draft business/operational plan for 2013/14 at the January 2013 board meeting
- III. The available resources and operating context of GCGPEP were taken into account in shaping how we take the priority workstreams forward

The Growth Prospectus sets out the broad strategic context for the GCGP area economy; and the subsequent Operational Plan provides a focused set of priorities and workstreams. The Operational Plan is focused on delivering priorities and actions that the GCGPEP board consider to be a) the most important; b) where GCGPEP can make the most impact (particularly in the short-term); and c) issues that need to be tackled in the near future.

## THE FIVE PRIORITY WORKSTREAMS

### 1. Alconbury Enterprise Zone

AIM: ENABLE DEVELOPMENT AND OCCUPATION OF ALCONBURY ENTERPRISE ZONE IN LINE WITH PARTNERS' VISION FOR THE SITE

*Focus for 2013/14:*

- Assist the Enterprise Zone to become a viable and attractive business location
- Contribute towards the effective marketing of the Enterprise Zone
- Deliver new businesses and jobs to the Enterprise Zone
- Contribute to the success of the business incubator

*Targets:*

- 20 active investment/employer enquiries during 2013/14*
- 200 new jobs on site by March 2014*
- Improved communications flow between all partners*
- Delivery of all statutory CLG reports on time*

*Actions:*

- Co-financing an EZ manager to lead on enterprise and inward investment promotion for EZ partners
- Provide up to £1,000,000 programme funding: a £250,000 grant allocation and a £750,000 loan facility for enabling works and projects for the EZ in 2013/14

### 2. Transport

AIM: ADVOCATING AND INFLUENCING IMPROVEMENTS TO OUR AREA'S TRANSPORT INFRASTRUCTURE

*Focus for 2013/14:*

- Raise the profile of the top three transport improvements that will realise major economic benefits
- Working with partners to move forward plans for A14
- Working with rail and airport operators to improve transport services and connections, and connectivity and access between transport modes

*Targets:*

- Improved relationships with Train Operating Companies, Airport owners, Highways Agency and Department for Transport*
- Agreement of a package of funding for A14*
- A coherent transport vision for the LEP area, including prioritised projects and economic evidence base*

*Actions:*

Identification and empowerment of Board Champions to lead on key transport issues; namely A14, A47, Rail and Air

GCGPEP formally offers £50 million from its future Enterprise Zone business rates receipts into the local funding requirement for the A14; work with partners to broker a deal for the funding of the A14

Provide funding to draw together the economic evidence base for required transport improvements, and create a GCGPEP priority list

### **3. Skills**

**AIM: PROMOTING BUSINESS-LED SKILLS PROVISION, IMPROVING ECONOMIC AWARENESS OF YOUNG PEOPLE, AND INCREASING THE NUMBER OF BUSINESSES THAT PLAN AND BUDGET FOR TRAINING**

*Focus for 2013/14:*

Enhancing the relationships between businesses, education and training providers, and young people

Improve skills planning and training in businesses

Better align publicly funded training to business demand

Ensuring the outcomes from the Skills Funding Agency Enterprise Zone Skills Strategy are implemented

Helping unemployed people access opportunities and jobs in the labour market

*Targets:*

*Increase the economic awareness of young people*

*Increase in skills planning and training amongst businesses*

*Increase the amount of publically funded training aligned with business needs*

*Actions:*

Provide a FTE skills manager and up to £375,000 in grant funding to establish two Local Skills Brokerage pilots and undertake a benchmark skills survey of the entire LEP geography

Investigate widening the Skills Strategy Group remit to align with LEP priorities

Provide up to £250,000 to develop innovative new ways of helping people facing disadvantage in the labour market through a VSE prize challenge fund

### **4. Enterprise growth and innovation**

**AIM: SUPPORTING GROWTH ENTERPRISES AND COMMERCIALY SUCCESSFUL INNOVATION**

*Focus for 2013/14:*

Complete an action plan for GCGPEP which details how it could further enable and promote enterprise growth

Complete an action plan for GCGPEP which details how innovation can be further promoted/ enabled to realise enterprise and jobs growth

Work with Banking Subgroup to identify mechanisms to address small business finance needs (including finance readiness support and an enterprise growth loan fund if suitable)

*Targets:*

*500 jobs created or retained as result of GCGPEP investment and activities*

*100 growth enterprises assisted in 2013/14*

*Actions:*

Commission an assessment of how GCGPEP can enable and promote enterprise growth and innovation

Make provisions for up to 1 FTE manager for Enterprise (should the final action plan conclude that there is a need for this role)

Provide up to £1,375,000 in programme funding to promote enterprise growth: up to £300,000 in grant funding, and up to £1,000,000 in loan funding

## **5. International promotion and trade**

### **AIM: INCREASE INTERNATIONAL REPUTATION, INVESTMENT AND TRADE**

*Focus for 2013/14:*

Improve international business recognition and interest in local economies within the GCGPEP area

Increase inward investment enquiries and activities

Create and improve international marketing collateral for use by public agencies, local institutions and local businesses, at the same time as enhancing the area's digital profile

Supporting a coherent LEP-wide network and process to handle inward investment enquiries efficiently and effectively

*Targets:*

*500 jobs created or retained as a direct result of GCGPEP investment in international promotion and inward investment attraction*

*100% annual increase in inward investment enquiry leads in 2013/14*

*25% increase in number of enterprises actively exporting*

*Actions:*

Complete an assessment of local capability with recommendations for an improvement and investment plan

Provide up to £250,000 in programme grant funding in 2013/14 for activities that lead to an increased international profile for local economies and businesses; and increased inward investment and jobs

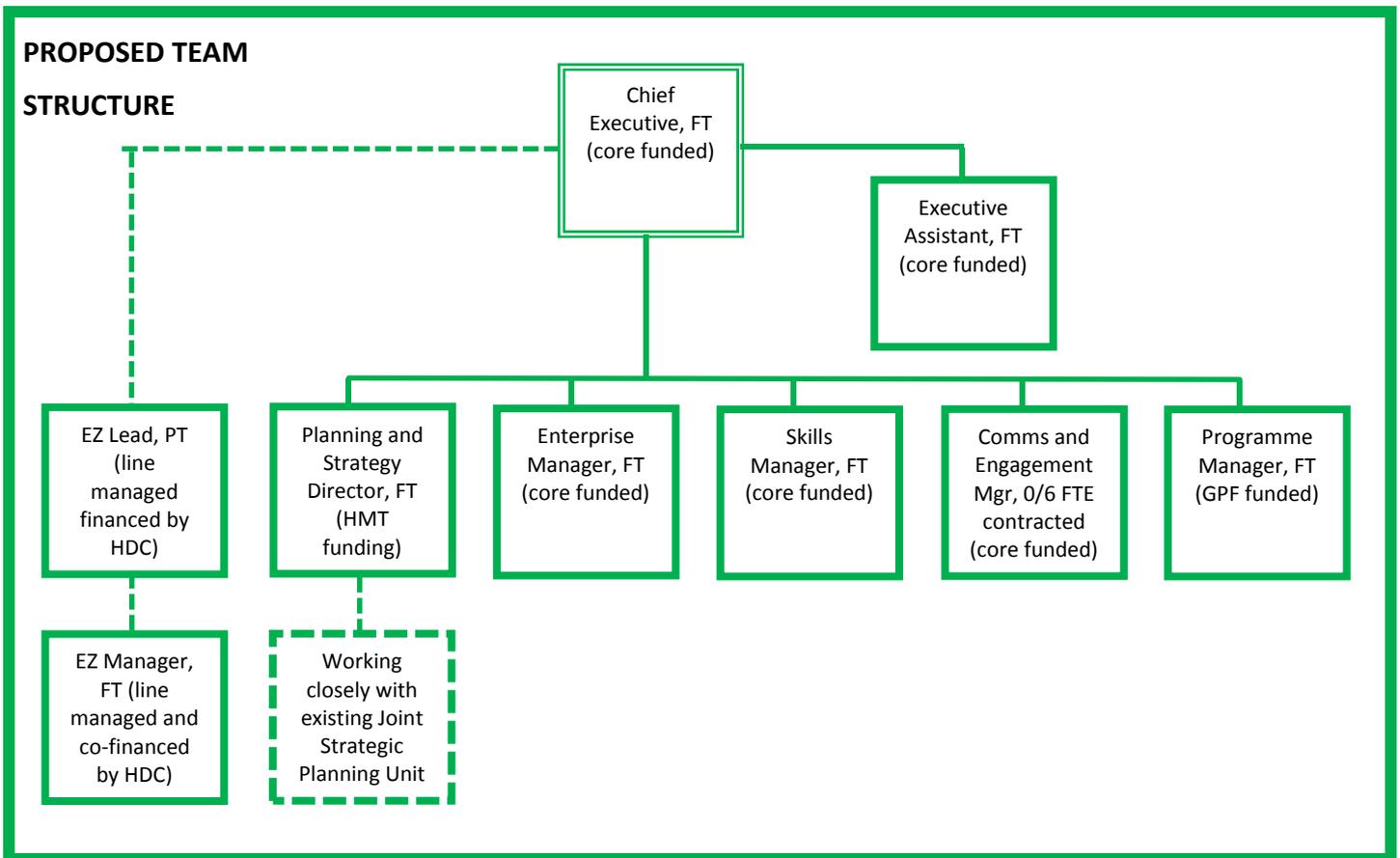
Underpinning all of these activities will be a comprehensive communications and engagement campaign to provide businesses, voluntary sector, social enterprise and the public sector with an insight into the work of the LEP, the opportunities our area holds for economic growth and ways in which these groups can work together better in the future.

## MAKING IT HAPPEN

### Mobilising our funding, operational resources and team

#### TEAM STRUCTURE

A proposed GCGPEP core team structure has been designed around the five priority workstreams and is outlined in the diagram below. A small team of 8.6 FTE staff are proposed, of whom 7.1 FTE are funded by GCGPEP. Two of the team are employed and line managed by Huntingdonshire District Council (the EZ Lead and the EZ Manger). An outline of the main roles and objectives of each team member is provided in Appendix B. Apart from the EZ Manger, all other roles will be recruited openly in 2013, with options for staff secondments from other partner organisations as well as new recruitment – as deemed most appropriate.



#### OPERATIONAL AND ADMINISTRATIVE FUNCTIONS

**Human resources management:** with the exception of EZ Manager post, the Chief Executive will be responsible for Human resources and staff manager. Chair and Vice Chair are responsible for the recruitment and management of the Chief Executive.

**Financial management:** Chief Executive responsible for overall financial management; Programme Manager specifically responsible for Growing Places Fund and Programme financial management.

**Marketing and communications:** functions and services will be contracted out to a specialist marketing and communications contractor, and will be administered by the Chief Executive.

## OPERATIONAL BUDGET

The tables below provide detail on the operational income and expenditure budgets for 2013/14. Planned expenditure is also included for 2014/15. Key points include:

- Total forecast cash income at £941,000 in 2013/14; forecast in-kind income of £65,000
- 2013/14 forecast income includes a one-off payment from The Department for Transport (DfT) of £131,000 in 2012/13 which can be carried over into future year's expenditure; and £250,000 from HM Treasury for the preparation of a growth strategy in line with Heseltine Review recommendations
- The 2013/14 £71,000 cash reserve includes £41,000 of the DfT funding contribution taken forward into 2014/15 expenditure
- A £100,000 administration charge is being taken from the round 1 award of Growing Places Fund to cover the costs of managing and monitoring GPF projects, applications and processes
- Forecast expenditure is based on estimated staffing and operational costs, and is aligned with priority workstreams

## GROWTH STRATEGY (HESELTINE REVIEW) AND EUROPEAN FUNDING PROGRAMMES

It has recently come to light that it is certain that each LEP will receive two payments of £250,000 from HM Treasury in 2013/14 and 2014/15 (totalling £500,000 over the two years) to produce a growth strategy to access a single pot growth fund in 2015. For planning purposes a team role has been assigned to lead this work and all funds have been allocated to use to support both the Local Growth Strategy and European Funding Strategy. It is proposed that we establish a board committee or working group to assess options and agree proposals on how we will prepare for the growth strategy requirements and how these monies are spent.

As part of the growth strategy work, we plan to conduct a parallel assessment and planning process to prepare for the next European Funding round from 2014 to 2020. We will work with partners to identify European Funding priorities and a framework for funding allocation and expenditure; as well as appraise the necessary joint working with neighbouring LEP areas.

**FIGURE 1: Budgeted income 2013/14**

INCOME	CASH	IN-KIND	TOTAL
GPF Admin charge	100,000	0	100,000
BIS Capacity Funding	25,000	0	25,000
BIS/CLG Core Funding	250,000	0	250,000
Local Match for BIS/CLG core funding	185,000	65,000	250,000
DfT funding	131,000		131,000
HMT funding (Heseltine Growth Strategy)	250,000		250,000
<b>TOTAL</b>	<b>941,000</b>	<b>65,000</b>	<b>1,006,000</b>

**FIGURE 2: Budgeted cash expenditure 2013/14 and 2014/15**

WORKSTREAM/EXPENDITURE CATEGORY	OPERATIONAL BUDGET (CASH)	
	2013/14	2013/15
Alconbury EZ	50,000	50,000
Transport	25,000	25,000
Skills	65,000	65,000
Enterprise growth and innovation	65,000	65,000
International promotion		
Growth Strategy (Heseltine Review)	250,000	250,000
Growing Places Fund pipeline		
<u>Other core operational costs</u>		
Other (non GPF) staff and HR costs	200,000	170,000
GPF programme manager	65,000	65,000
GPF technical fees	35,000	35,000
Chair's remuneration and expenses	35,000	30,000
Office and IT costs	10,000	10,000
Comms and marketing	40,000	40,000
Project/consultancy/technical fees	30,000	30,000
Cash reserve: in 2013/14 £166k in funding carried over to next year (£41k from DfT, £125k from HMT); 30k in 'actual' cash reserve. 2014/15 assume carry over previous year's cash reserve	71,000	0
<b>TOTAL</b>	<b>941,000</b>	<b>835,000</b>

<b>Figure 3: Cashflow forecast 2013/14</b>	BUDGET	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Accruals paid after April 05	TOTAL
<b>INCOME</b>	2013/14														
GPF Admin charge	100,000	100,000													100,000
BIS Capacing Funding	25,000				5,000				5,000			10,000		5,000	20,000
BIS/CLG Core Funding	250,000					125,000				125,000					250,000
Local Match for BIS/CLG core funding	185,000		15,000	30,000	50,000			30,000		35,000		25,000			185,000
DfT funding	131,000	131,000													131,000
HMT funding (Heseltine Gr Strat)	250,000							125,000						125,000	125,000
<b>TOTAL INCOME</b>	<b>941,000</b>	<b>231,000</b>	<b>15,000</b>	<b>30,000</b>	<b>55,000</b>	<b>125,000</b>	<b>0</b>	<b>155,000</b>	<b>5,000</b>	<b>160,000</b>	<b>0</b>	<b>35,000</b>	<b>0</b>	<b>130,000</b>	<b>811,000</b>
<b>EXPENDITURE</b>															
Alconbury EZ	50,000	20,000				10,000		20,000							50,000
Transport	25,000							25,000							25,000
Skills and work readiness	65,000	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,413		65,000
Enterprise growth and innovation	65,000	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,413		65,000
International promotion															0
Growth Strategy (Heseltine Review)	250,000	12,000	12,000	12,000	24,000	12,000	50,000	12,000	12,000	30,000	50,000	12,000	12,000		250,000
Growing Places Fund pipeline															
<u>Other core operational costs</u>															
Other (non GPF) staff and HR costs	200,000	14,150	44,350	14,150	14,150	14,150	14,150	14,150	14,150	14,150	14,150	14,150	14,150		200,000
GPF programme manager	65,000	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,413		65,000
GPF technical fees	35,000			5,000	5,000		10,000			10,000			5,000		35,000
Chair's remuneration and expenses	35,000	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	3,100		35,000
Office and IT costs	10,000	800	850	800	950	800	850	800	850	800	850	800	850		10,000
Comms and marketing	40,000	3,300	3,300	3,300	3,300	3,300	3,700	3,300	3,300	3,300	3,300	3,300	3,300		40,000
Project/consultancy/technical fees	30,000	5,000		5,000			5,000			5,000			10,000		30,000
Cash reserve	196,000														196,000
<b>TOTAL EXPENDITURE</b>	<b>3,002,000</b>	<b>74,401</b>	<b>79,651</b>	<b>59,401</b>	<b>66,551</b>	<b>59,401</b>	<b>102,851</b>	<b>94,401</b>	<b>49,451</b>	<b>82,401</b>	<b>87,451</b>	<b>49,401</b>	<b>64,639</b>	<b>0</b>	<b>870,000</b>
<b>CASHFLOW BALANCE</b>		<b>156,599</b>	<b>91,948</b>	<b>62,547</b>	<b>50,996</b>	<b>116,595</b>	<b>13,744</b>	<b>74,343</b>	<b>29,892</b>	<b>107,491</b>	<b>20,040</b>	<b>5,639</b>	<b>-59,000</b>	<b>71,000</b>	<b>1,066,000</b>

**PROGRAMME BUDGET**

The programme budget is to fund the priorities that the GCGPEP board has agreed. It is a fund that consists of recycled Growing Places Fund loans, and is available to partners, businesses and delivery organisations.

The GCGPEP board have agreed indicative programme budget allocations, with the requirement that board approval is needed for detailed programme expenditure plans.

**FIGURE 4: Programme budget 2013/14 and 2014/15**

	GPF RECYCLE					
	2013/14		2014/15		TOTAL	
	GRANT	LOAN	GRANT	LOAN	2013/14	2014/15
<b>TOTAL INCOME (loan repayments)</b>					<b>6,100,000</b>	<b>1,300,000</b>
<b>EXPENDITURE</b>						
Alconbury EZ	250,000	750,000			1,000,000	0
Transport					0	0
Skills	625,000		550,000		625,000	550,000
Enterprise growth and innovation	300,000	1,000,000	350,000	2,100,000	1,300,000	2,450,000
International promotion	250,000		250,000		250,000	250,000
Growth Strategy (Heseltine Review)					0	0
Growing Places Fund legacy pipeline	90,000	785,000			875,000	0
<u>Other core operational costs</u>					0	0
Other (non GPF) staff					0	0
GPF programme manager			65,000		0	65,000
GPF technical fees			35,000		0	35,000
Chair's remuneration and expenses					0	0
Office and IT costs					0	0
Comms and marketing					0	0
Project/consultancy/technical fees					0	0
Cash reserve					0	0
<b>TOTAL EXPENDITURE</b>	<b>1,515,000</b>	<b>2,535,000</b>	<b>1,250,000</b>	<b>2,100,000</b>	<b>4,050,000</b>	<b>3,350,000</b>
Total GPF Expenditure 2013-2015						7,400,000

Notes:

Alconbury EZ: £250,000 in grant and £750,000 in loan provision made available for enabling works on-site to assist in the early investment/occupation in the site by employers/businesses

Skills and work readiness: a total of £1,175,000 in grant funding made available in principle for a skills and work readiness programme and a VSE Prize Challenge Fund

Enterprise growth and innovation: a total of £650,000 in grant funding and £3,100,000 in loan funding in principal for an enterprise growth and innovation programme

International promotion: £500,000 in principal for an international promotion and trade programme

Growing Places Fund legacy pipeline: £780,000 in loan funding allocated to Growing Places Priority Projects from Round 1 applications that remain eligible for funding awards into 2013/14; £90,000 in grant funding to support the Local Transport Body GPF programme manager and GPF technical fees – it is necessary for GCGPEP to make an administrative charge of £100,000 to the GPF recycle to be able to fund the capacity and technical advice to run the funding programme, applications and monitoring process.

### **Programme funds – how they work**

Programme funds represent an indicative allocation of funds to support GCGPEP priorities. There are several steps to implementing a programme and releasing the funds:

- 1) Board approves indicative programmes with indicative budget allocations. Programmes reflect current organisation/board priorities and objectives
- 2) A fully designed programme proposal must be provided for the GCGPEP executive, board and appropriate committees with programme objectives, projected costs, outcomes, and delivery arrangements
- 3) The programme proposal must be appraised against GCGPEP criteria for appropriate use of funds (as set out in September 2012 board meeting). A report of the appraisal outcome must be made available to the GCGPEP board or appropriate board committee
- 4) Board and/or appropriate committee presented programme proposal and appraisal report for recommendations and/or decision
- 5) Board approve, amend, or do not approve programme proposals
- 6) Board may set up points of process or milestones for further sign off and release of funds

## APPENDIX A: OUTCOMES AND TARGETS

Priority workstream	Outcomes and targets
Alconbury EZ	20 active investment/employer enquiries during 2013/14 200 new jobs on site by 31 March 2014
Transport	Transport economic evidence study complete by March 2014 1 transport campaign complete in 2013/14
Skills	Two Local Skills Team pilots established Benchmarking skills survey of LEP area
Enterprise growth and innovation	500 jobs created or retained as result of GCGPEP investment and activities 100 growth enterprises assisted in 2013/14
International promotion and trade	International inward investment profile raised 500 jobs created or retained as result of GCGPEP investment and activities 100% annual increase in inward investment enquiry leads in 2013/14 25% increase in take-up of international trade advice and assistance

## APPENDIX B: TEAM STRUCTURE

Team member	Alignment with priority workstreams	Job description and further details
Chief Executive	General	<ul style="list-style-type: none"> <li>• Executive leadership</li> <li>• Overall executive responsibility</li> <li>• Line management of other staff</li> <li>• Coordinating and liaising with board</li> <li>• Corporate and financial management and reporting</li> </ul>
Executive Assistant	General	<ul style="list-style-type: none"> <li>• General administration, client handling</li> <li>• Organising and servicing meetings</li> <li>• Record keeping</li> <li>• Personal Assistant to Chair and Executive Director</li> <li>• Supporting marketing and events activities including updating websites</li> </ul>
Enterprise Zone Manager	Alconbury EZ	<ul style="list-style-type: none"> <li>• Lead on coordinating promotion of the EZ and reporting the GCGPEP board</li> <li>• Secretariat for Alconbury EZ steering group</li> <li>• Business liaison</li> <li>• Co-financed by, and located at Huntingdonshire District Council</li> </ul>
Skills manager	Skills and work readiness	<ul style="list-style-type: none"> <li>• Shape, inform and deliver GCGPEP's role and initiatives advocacy for skills and education</li> <li>• Develop investment programmes and input into funding bids</li> <li>• Lead engagement with business, education and skills providers, and government agencies and departments</li> </ul>
Enterprise manager	Enterprise growth and innovation	<ul style="list-style-type: none"> <li>• Shape, inform and deliver GCGPEP's role and initiatives advocacy for enterprise, business growth and innovation</li> <li>• Develop investment programmes and input into funding bids</li> <li>• Lead engagement with businesses, business representative organisations, and government agencies and departments</li> </ul>
Communications and Engagement Manager	General	<ul style="list-style-type: none"> <li>• Lead on marketing, communications and public relations</li> <li>• Press relations and media liaison</li> <li>• Partner and business engagement</li> </ul>
Growing Places Fund Programme Manager	Relating to GPF administration, and GPF recycle programme funding	<ul style="list-style-type: none"> <li>• Develop and manage GCGPEP's funding programmes, appraisal criteria and systems, and calls for bids</li> <li>• Manage the Growing Places Fund, including active engagement with, and advice to fund applicants</li> <li>• Develop approaches to setting up new programme funds, including brokering co-financing arrangements</li> <li>• Appraise funding bids and monitor funding awards and applicants</li> <li>• Technical advice to board, executive, and funding applicants</li> <li>• Financed by admin charges on GPF programme</li> </ul>
Planning and Strategy Director	Coordinating and leading development of LEP growth strategy to access Single Pot Funding	<ul style="list-style-type: none"> <li>• Coordinate strategic priorities, programmes and projects into a coherent growth strategy and action plan</li> <li>• Lead liaison with central government</li> <li>• Completion of application processes</li> <li>• Informing European Funding strategies/planning</li> </ul>

## APPENDIX C: OPERATIONAL BUDGET – LINE BY LINE COMMENTARY/NOTES

CASH BUDGET	OPERATIONAL BUDGET		COMMENTARY/ NOTES
	CORE		
	2013/14	2013/15	
Alconbury EZ	50,000	50,000	<ul style="list-style-type: none"> <li>Co-financing half the salary and on costs of the EZ manager (currently estimated at £40k);</li> <li>Project budget (£10k)</li> </ul>
Transport	25,000	25,000	<ul style="list-style-type: none"> <li>Work to understand the transport priorities and projects which will make the greatest economic impact for the area</li> </ul>
Skills	65,000	65,000	<ul style="list-style-type: none"> <li>Salary and on-costs for Skills Manager (£65k)</li> </ul>
Enterprise growth and innovation	65,000	65,000	<ul style="list-style-type: none"> <li>Salary and on-costs for Enterprise Growth and Innovation Manager (£65k)</li> </ul>
International promotion			
Growth Strategy (Heseltine Review)	250,000	250,000	<ul style="list-style-type: none"> <li>Almost certain that each LEP will receive £250k to produce a growth strategy to access single pot growth fund in 2015. Use of these funds is likely to be prescribed/audited.</li> <li>Growth strategy and planning director (£80k per annum)</li> <li>Project/technical assistance budget (£170k per annum)</li> </ul>
<b>Other core operational costs:</b>			
Other (non GPF) staff	200,000	170,000	<ul style="list-style-type: none"> <li>Salary and on-costs for Chief Executive (£130k)</li> <li>Salary and on-costs for Executive Assistant (£40k)</li> <li>Recruitment costs of £30k in 2013/14</li> </ul>
GPF programme manager	65,000	65,000	<ul style="list-style-type: none"> <li>Salary and on-costs for Programme Manager (£65k)</li> <li>GPF recycle charged for this in 2014/15</li> </ul>
GPF technical fees	35,000	35,000	<ul style="list-style-type: none"> <li>Legal and technical fees for GPF programme and project administration, due diligence, and monitoring</li> <li>GPF recycle charged for this in 2014/15</li> </ul>
Chair's remuneration and expenses	35,000	30,000	<ul style="list-style-type: none"> <li>As per contract</li> </ul>
Office and IT costs	10,000	10,000	<ul style="list-style-type: none"> <li>Costs of office and IT equipment</li> </ul>
Comms and marketing	40,000	40,000	<ul style="list-style-type: none"> <li>Based on previous costs</li> </ul>
Project/ consultancy/ professional fees	30,000	30,000	<ul style="list-style-type: none"> <li>Based on previous costs</li> </ul>
Cash reserve	196,000	0	<ul style="list-style-type: none"> <li>£41k of DfT and £125k of HMT funding carried over into 2014/15</li> <li>£30k used as actual cash reserve</li> <li>Assumed that cash reserve will carry over into 2014/15 and no further accounted expenditure required</li> </ul>
<b>TOTAL</b>	<b>941,000</b>	<b>835,000</b>	

## APPENDIX D: USE OF GCGPEP FUNDS

On 12 September 2012 the GCGPEP board endorsed the following criteria as the appropriate use of GCGPEP funds, putting them at the heart of the assessment criteria for the award of GCGPEP funds to third parties.

### D1. General principles of use of funds

The following principles for all funding decisions have been established:

- i. Support the role outlined in various GCGPEP documents, the economic objectives outlined in the GCGPEP Growth Prospectus; and the priorities and deliverables specified in the GCGPEP annual operating plan
- ii. Support activities which have the potential to make a high impact on the economy of the LEP area – including high levels of job creation
- iii. GCGPEP funding adds significant value – it makes a project or activity happen that would otherwise not occur; or provides faster or higher levels of impact
- iv. Decisions about funding awards are clear and transparent

### D2. Achieving high impact: the best results from GCGPEP funding

In order to make decisions about whether funding awards will make high levels of impact and achieve the best results for GCGPEP, it is proposed that all funding decisions be subject to the satisfaction of the following criteria:

- i. Substantially benefits all or part of the GCGPEP area
- ii. Is clearly a project / activity whose prime objectives are economic, and has clear economic benefits
- iii. Clear evidence of opportunity/need and why intervention is necessary
- iv. Potential economic impact is quantified; and estimate is reasonable and demonstrably achievable
- v. GCGPEP funding achieves satisfactory levels of 'leverage' – there are sufficient levels of co-finance or co-resourcing

### D3. Innovation and risk – open bidding arrangements

If GCGPEP aspires to achieve the best impacts and results for its expenditure then it must be open to innovation and risk, to new ideas from a wide range of stakeholders, and a competitive element to bids for funds. These aims will only be achieved if there are open bidding arrangements for a substantial proportion of GCGPEP funds.

Open bidding processes by their necessity will involve competition between stakeholders. However they may also encourage collaboration and joint ventures. Bidding processes can be designed to help reduce the overheads/expenses incurred.

### D4. Governance and management of programmes

It is the intention for GCGPEP to establish themed funding programmes (e.g. for skills) which provide for a framework of activities that may be funded by GCGPEP. Each funding programme would have detailed aims and objectives, and financial allocations for certain activities or intended outcomes, as well as planned administrative/running costs where relevant.

In this way, GCGPEP can more greatly influence what funding is spent on, and how it is spent – in effect, aligning funding to GCGPEP priorities and aims.

Some programmes may be more prescriptive (i.e. commissioning defined activities and outcomes) than others. There may be some programmes where we are very flexible and seek innovative ideas or encourage knowledgeable delivery partners to take a lead.

The following governance and management arrangements may be appropriate:

- i. Funding Programme Development: undertaken by a task and finish group comprising of LEP staff and stakeholders (e.g. business representatives, local authority officers) with useful technical or market expertise

- ii. Funding Programme Scrutiny and approval: GCGPEP Investment Subcommittee makes recommendations to GCGPEP board – GCGPEP board makes final decision
- iii. Board governance: an established subcommittee for all funding programmes, or separate subcommittees for separate large funding programmes
- iv. Appraisal and recommendations in relation to bids: it is recommended that a peer review process is established for different elements of funding programmes – that utilises the expertise of business representatives of partner organisations. E.g. for a small business finance call for proposals – may want to bring in Chambers of Commerce representatives and a small business banking representative to help assess bids.
- v. Final decision on funding bid awards: to follow the GCGPEP delegation scheme
- vi. Monitoring of performance and compliance: LEP executive reports to Funding Programme subcommittee, which in turn raises issues with the GCGPEP board as necessary

#### **D5. A manageable number and size of funding programmes**

Funding programmes refer to an agreed programme for the use of funds which will be focused on a theme or issue – for example a ‘skills programme’; ‘international programme’ etc. Funding programmes will be established with their own specified outcomes and appropriate uses of funds, and will be approved by the GCGPEP board. Once a funding programme has been approved by the board, then a relevant board subcommittee or executive will have the delegated authority to implement the funding programme and issue calls for bids as per details agreed by the GCGPEP board.

The scale and number of GCGPEP funding programmes will appropriately reflect its published strategy and operational plans and within the limits of the administrative capability and resources of GCGPEP, as well as funds available.

In general, funding programmes will consist of a minimum of £250,000 in value.

#### **D6. Meets statutory requirements**

There are a number of statutory requirements that must be met in relation to the use of, and award of funds:

- Must be within the statutory framework of the grant award from central government and use of public funds by local authorities. Must meet the minimum audit requirements.
- Use of funds must be State Aid compliant

#### **D7. Managing performance and risk**

Projects funded by GCGPEP will be monitored to ensure that satisfactory progress is made against awards or payments. A monitoring framework and approach will be developed – one that effectively monitors progress and use of funds, but which is proportionate to the level and nature of the funding allocation and use – i.e. not unnecessarily bureaucratic.

This monitoring approach will align with the requirements of accountable bodies where funds reside, e.g. Cambridgeshire County Council (GPF) and Huntingdonshire District Council (for EZ business rates receipts), as well as audit requirements of central government where required.

It is proposed that a presumption is made that organisations bidding for GCGPEP funding to match European funds will be fully responsible for compliance with European funding requirements.

#### **D8. Appropriate use of funds: activities and beneficiaries not supported by GCGPEP funding**

There are certain uses of GCGPEP funds which are clearly rejected at the outset - including political uses, uses contravening legal requirements such as State Aid, use of funds by individuals holding certain criminal convictions or bans on being company directors, use of funds without board approval or scheme of delegation as appropriate.

#### **D9. Interest rates charged on loans and role of GCGPEP as creditor**

GCGPEP operates a number of loan schemes. As a general rule, annual interest rates chargeable are as follows:

Public sector organisations: No interest charged.

Non-profit/third sector organisations (including educational institutions), or projects with a strong social/employability focus<sup>1</sup>: whichever interest rate is the lower of: 1% above Bank of England base rate, or the State Aid de minimus rate of interest.

Private companies (for profit): need to set a rate that is 4% to 7% above the LIBOR rate (London Inter-Bank Offer Rate – currently at 0.49% for 12 month loans/credit)<sup>2</sup>.

Commercial property companies are currently paying between 7 and 10% per annum as their total cost of credit. The challenge facing private enterprises tends to be one of credit availability rather than cost. Any loans issued from GCGPEP should reflect the private costs of finance and nature of finance gaps.

Specified interest rates may be customised for certain developments, reflecting the nature of the beneficiary or the risks associated with the development.

GCGPEP will always endeavour to be a preferred creditor on any contractual arrangement.

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<sup>1</sup> The rationale being that without a low interest loan, a private company will not proceed with a project that delivers substantial social and employability/employment opportunity for individuals and communities in need

<sup>2</sup> Currently (Feb 2013) private companies typically pay between 7-10% for the annual cost of their credit. The key market failure appears to be the availability of credit and risk aversity of commercial lenders rather than the price of credit. There is no credible market failure rationale to providing at rates substantially below commercial market rates.