
GROWTH PROSPECTUS 2018-19



HM Government



THE BUSINESS BOARD



CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY





01

INTRODUCTION TO THE GROWTH FUNDS

INTRODUCTION

Through this Prospectus, the **Cambridgeshire and Peterborough Combined Authority (CPCA)** and the **Business Board** invite businesses and partner organisations to support its ambitions for growth and apply for investment to deliver projects which will create new jobs and increase productivity.

THE GROWTH DEAL / 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 - from road improvements and incubator space, through to new skills facilities and space for innovation.

Between 2014 and 2016, the Greater Cambridge Greater Peterborough Local Enterprise Partnership 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 £98 million is committed to projects, leaving just under £50 million left to allocate.

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. This coverage may change subject to the outcome of Government's review of Local Enterprise Partnerships.

The Business Board, as the new Local Enterprise Partnership for the Greater Cambridge Greater Peterborough area, will receive and consider new applications for funding which will be recommended to the Combined Authority for approval, contracting and monitoring.



02

FUNDS AVAILABLE THROUGH THIS PROSPECTUS

SMALL GRANTS PROGRAMME

The Combined Authority's Small Grants Programme will support the growth of Small and Medium Enterprises (SMEs), offering grants of between £2,000 and £20,000 to support capital investment projects to a maximum of 20% of total project cost.

To apply for a grant you must be;

- a micro enterprise or SME that employs less than 250 people
- seeking to make a capital investment in your business, for example by purchasing new equipment or improving or expanding your premises
- planning to grow and employ more staff in the future. As a guide, for every £10,000 grant awarded we would expect to see at least one new job created.

Grants can only be issued against items that have not already been purchased or ordered. For further details please see Part Three – **How to Apply**.

LE MARK

Le Mark, a manufacturer of adhesive products and supplier to events and entertainments industries based in Houghton, was given a grant by the Local Enterprise Partnership of more than £15,000 in 2016. The funding helped the company invest new machinery and recruit new staff.

Picture: Le Mark's Managing and Sales Director, Linda Gibbons, with Joe Watson from the Local Enterprise Partnership's Growth Hub.





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



The Eastern Agri-Tech Growth Initiative supports the development of new and innovative ideas within this important sector. The programme covers all of the LEP geography PLUS the rest of Norfolk and Suffolk

There are two main funds that businesses can apply for;

- an Agri-Tech Growth Fund, which provides grants between **£10,000 and £150,000** to support product development and improve agricultural productivity; and
- a Research, Development and Prototyping Fund, which helps to support the research and development of new product or processes with grants of between **£10,000 and £60,000**.

For further details please see Part Three – **How to Apply**.

PECK DRINKS

The innovative 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 came back 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





SKILLS CAPITAL FUND

To support the delivery of its Skills Strategy, the Combined Authority has set aside £2 million and is keen to invest in improved skills infrastructure or specialist equipment which will help to meet the needs of the area's businesses.

It is expected that the fund will support three or four projects within the LEP area. The Authority will consider applications for capital investment via loan or grant, to a maximum of 50% of total project cost.

For further details please see Part Three – [How to Apply](#).

CONSTRUCTION SKILLS SIMULATORS, CITB

In 2016, the LEP ran a call for innovative projects seeking skills capital to invest in new equipment or premises. The call resulted in a number of projects being supported, including a Highways Academy at WATA in Huntingdon and a Centre of Food Manufacturing Excellence at Peterborough Regional College.

CITB, a national provider of construction skills training, successfully applied for just under £500k to design, purchase and set up a new training facility based in Bircham Newton near Kings Lynn. Using a mix of gaming technologies, the simulators allow training to continue in poor weather conditions as well as capturing learners' progress.

Picture: Crane simulator at CITB, one of the first in the UK to be used in mainstream training.





CALL FOR MAJOR PROJECTS

Call open from Monday 15th October to Friday 30th November 2018

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 (CPIER) 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.

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: The iMET technical skills centre was officially opened on 15th June 2018. The launch was attended by key stakeholders and businesses from across the region.



03

**THE CALL FOR MAJOR
PROJECTS WILL OPEN ON
MONDAY 15TH OCTOBER AND
CLOSE ON FRIDAY 30TH
NOVEMBER AT 17:00.**

HOW TO APPLY

KEY CONTACTS AND FURTHER INFORMATION

All programmes except the Call for Major Projects will open for new applications from **8th October 2018**.

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**.

CALL FOR MAJOR PROJECTS

Call open from Monday 15th October to Friday 30th November 2018

Organisations interested in applying via this call should email **GrowthFunds@cambridgeshirepeterborough-ca.gov.uk** or call **01480 277180** in the first instance.

Following the launch of the Prospectus, on 15th October prospective applicants will be asked to complete an Expression of Interest (EoI) and Strategic Outline Business Case.

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 Business Case, in line with the Local Enterprise Partnership's Assurance Framework.



Applicants proceeding to Business Case 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.

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 for capital investment only. There is no revenue funding available through this prospectus.
- 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 Business Case 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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