



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.2</b>
<b>25 OCTOBER 2017</b>	<b>PUBLIC REPORT</b>

## **URGENT FUNDING REQUESTS IN PLACE OF GREATER CAMBRIDGESHIRE GREATER PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP**

### **1.0 PURPOSE**

- 1.1. This report highlights urgent funding requests made by various bodies to the Combined Authority in place of grants which the Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP) is not in a position to fund.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>James Palmer, Mayor of Cambridgeshire and Peterborough Combined Authority Portfolio Holder for Governance</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref:</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  (a) Note the urgent funding requests made by i. The Independent Economic Commission ii. Opportunity Peterborough iii. Ely Area Improvements Task Group (Grip 3).  (b) Note the funding approvals already given in relation to the Independent Economic Commission and Opportunity Peterborough to ensure important priority objectives can be met.	<b>Voting arrangements</b>  Simple majority of voting Members

<p>(c) Note the previous decision of the Board in June 2017 to allocate funding for the GRIP3 study and approve that this funding is now granted to Network Rail to progress the GRIP3 study.</p> <p>(d) Note that upon restoration of funding to the Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP) the Combined Authority will make applications to the GCGP LEP Board to restore the funding position of the Combined Authority.</p>	
--	--

## **2.0 BACKGROUND**

- 2.1. Local Growth Deals are made available by Government to Local Enterprise Partnerships (LEP's) for projects that benefit the local area and economy.
- 2.2. The GCGP LEP's Strategic Economic Plan "Internationally Competitive, Nationally Significant" was submitted to Government in March 2014. In July 2014, the GCGP LEP was awarded £71.1 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £38 million of funding was awarded between 2016 and 2021 and an additional £37.6 million was awarded in November 2016. The LEP estimates up to 15,500 jobs could be created, 10,000 homes built and up to £210 million of public and private investment generated as a result of this funding
- 2.3. The latest tranche of Local Growth Funding is however being withheld following a government review which raised issues about the governance of the organisation. This lack of funding has resulted in several organisations approaching the Combined Authority for assistance with funding as important projects are being put at risk.

## **3.0 APPLICATIONS FOR FUNDING**

### **Independent Economic Commission**

- 3.1 The Combined Authority is committed, through its Assurance Framework, agreed with Government, to creating an independent Economic Commission. The establishment of an independent Economic Commission will require partners to work collectively and to think differently about economic growth, investment and prosperity. The work of the independent Economic Commission is vital to understanding the possibilities and aspiration of growth across the Combined Authority area. This will inform the work of the Combined Authority and its partners, primarily the GCGP LEP.

- 3.2 On 28 June 2017 the Combined Authority agreed to support a percentage of the cost of the Independent Commission for the current financial year. A percentage of cost was to be requested of the GCGP LEP.
- 3.3 In October 2017 Cambridge Ahead, which is providing both administrative and financial support to the Commission, notified the Combined Authority that its work had not progressed as the funding request to the GCGP LEP was highly uncertain. The Combined Authority were requested to offer confirmation that it would support a further allocation of funds to the Commission until such time as the GCGP LEP were in a position to consider a fully costed funding request from Cambridge Ahead.
- 3.4 Given the importance of this work to the Combined Authority and the urgency of the request from Cambridge Ahead, the Chief Executive exercised his delegated authority to guarantee a payment of £166,235 to Cambridge Ahead subject to the Combined Authority, with the support of Cambridge Ahead, making an application to the GCGP LEP Board for refund of this amount.

### **Opportunity Peterborough**

- 3.5 In July 2017 the Combined Authority Board approved a report which set out its ambition to create a Centre for Skills. The Centre for Skills was intended to increase the apprenticeship uptake in the area.
- 3.6 The report noted that Opportunity Peterborough provides an apprenticeship service that currently covers the areas of Peterborough, Fenland, Hunts and East Cambridgeshire. It brings businesses into schools and colleges to work with young people on interview techniques, CV writing and enterprise skills (age 11-18). It also facilitates an annual career's show with over 200 businesses and 3,000 young people (14-24 year olds) and offers impartial apprenticeship events for businesses, schools and young people.
- 3.7 The GCGP LEP approved funding for the work of Opportunity Peterborough, but funding was not forthcoming. As a result, Opportunity Peterborough approached the Combined Authority in early October for some immediate funding to prevent possible redundancies. Funding was approved in the sum of £265K by the Chief Executive under delegated authority. Opportunity Peterborough have undertaken to support a joint application to the GCGP LEP Board to return funding to the Combined Authority when the GCGP LEP is in receipt of funds.

### **Ely Area Improvement Task Group: GRIP3**

- 3.8 The Combined Authority previously agreed to fund a GRIP3 study as part of the development of the Wisbech Garden Town proposals. The June 2017 Board report noted that Wisbech rail is a fundamental part of bringing about significant change by improving sub-regional and regional connectivity and helping to improve economic function.
- 3.9 The GCGP LEP Board had also considered GRIP3 funding at its April Local Transport Panel and Board meeting. The Board agreed a full proposal for funding GRIP3 would be submitted to the next appropriate Board meeting after collation of all information and provision of advice by the Local Transport Panel,

including that any criteria for a compelling case for the investment had been satisfied. No such report has since been brought back to the Board.

- 3.10 The Ely Area Improvement Task Group, chaired by Ray Harding Chief Executive of Kings Lynn and West Norfolk Council and Network Rail have subsequently approached the Combined Authority with a request for an immediate assurance of funding for the GRIP3 study. As funding from the GCGP LEP cannot be assured at this present time, the Combined Authority are requested to invest £3.6M with Network Rail to progress the study. If the Combined Authority do not give such funding approval, the study will not have the support of Network Rail.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 At this stage, it is not anticipated that there will be any long term financial implications arising but the Board will receive a further update on this matter at its meeting in December.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The Combined Authority has a general power of competence by virtue of Article 7 of the Cambridgeshire and Peterborough Combined Authority Order 2017 enabling it to undertake any actions in furtherance of its objectives as outlined in the devolution deal.
- 5.2 Making a grant of funding to Network Rail does not engage state aid and, in any event, Network rail will undertake its own procurement processes and governance in relation to the commissioning of any study arising from the grant funding.

#### **6.0 SIGNIFICANT IMPLICATIONS**

- 6.1 There are no statutory matters for the attention of the Combined Authority

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
<ol style="list-style-type: none"><li>1. Decision notices to agree funding under Chief Executive delegated authority</li><li>2. Decision of EU regarding state funding to Network Rail (State aid No N 356/2002 – United Kingdom Network Rail)</li></ol>	Available on request from the Cambridgeshire and Peterborough Combined Authority.