Cambridgeshire and Peterborough Combined Authority

Local Growth Fund Evaluation Report

Projects initiated 2015-2016

April 2021

THE BUSINESS BOARD

GROWTH DEALS

HM Government

Metro —— Dynamics

Contents

Executive Summary

Context

This report for the Cambridgeshire and Peterborough Combined Authority (CPCA) evaluates 10 early Local Growth Fund projects starting between 2015 and 2016, totalling 40% of the area's Growth Deal funding.

The projects in this evaluation were initiated and funding agreed by the former Greater Cambridge and Greater Peterborough (GCGP) LEP. The implementation of the 2017 Devolution Deal created CPCA and led to the creation of the CA Business Board, which took on the functions of the LEP for the CPCA area.

The evaluation assesses how projects and outputs have been delivered, how far outcomes have been achieved against targets and local strategic objectives, and the economic impact and value for money secured through investments. Lessons from these projects and recommendations for future local investments form the conclusions of the evaluation.

Outcomes and value for money

In line with the early national policy focus of LGF, the majority of this early investment was made in transport, with funding also invested in skills, innovation and business infrastructure.

Whilst the investments evaluated are set out as *intending* to contribute towards Growth Deal objectives (to create new jobs, unlock new homes, create GVA, and upskill in key sectors: food processing, manufacturing, engineering and technology) there is little data to suggest the projects actually *delivered* significant outcomes.

GCGP LEP failed to effectively manage the design and initiation of projects, with many not having clearly defined links between rationale, outputs and outcomes. Monitoring of these projects then subsequently lacked effective tracking of outcomes data. As such, the CPCA inherited a very partial picture of project performance. Data is sparse and against many outcomes there is insufficient information available in relation to specific targets to be able to measure progress.

9 out of 10 of the projects did not provide good value for money. This is on the basis of poor performance on outcomes across the 10 LGF projects in this evaluation and as a result of the identified weaknesses in initiating and managing these projects early on in the programme,

The following summary shows an overview of project performance the proportion of target outcomes achieved, economic impact and the spread of value for money assessments across projects.

£58.92m LGF invested in 10 projects (started 2015-16, completed 2016-19)

40% of total local Growth Deals allocation (totalling £146.7m)

4 Transport projects

£43.28m (74%)

21.7km road resurfaced / built

17.5km new cycleway

New equipment/ infrastructure

76% average target outcomes achieved

3 Skills projects

£11.536m (20%)

2,995sqm learning space

New specialist facility equipment

52% average target outcomes achieved

1 Business premises project

£1m (1.7%)

9 new business park commercial units

1,251sqm commercial space

30 jobs accommodated from elsewhere

2 Innovation projects

£3.1m (5%)

5,260sqm commercial space

858sqm learning space

New specialist equipment

43% average target outcomes achieved

Value for money: 1 good, 7 medium, 1 poor, 1 very poor projects

Economic impact

822 net additional jobs

Space for an additional 451 workers

£223.62m GVA

£6.3m added productivity from 635 apprenticeships

Improvement post 2018

The projects evaluated in this report demonstrate a poor record of achievement on outcomes and value for money. Whilst often successful in building or buying assets, there was clearly very limited emphasis on leveraging these to deliver outcomes. Projects had few concrete targets available against which to manage their performance, beyond asset development, and as such have simply either not delivered, or delivered at a high cost.

Since 2018, LGF projects have been coordinated by CPCA, which has since instituted a new assurance framework and approach to monitoring and evaluation. Under the direction of the Business Board, the CA has implemented an outcomes focussed approach, setting out clear priorities linked to evidence and building in strong evaluation.

Whilst a full evaluation is yet to be undertaken for the rest of the LGF investments, current forecasts indicate that the new approach is on track to deliver better on outcomes and to obtain greater value for money. For example, looking at cost per job created, the early LGF projects delivered at £71k, whilst initial data for the wider programme (to end of FY 2019/20) suggest a cost per job of £26k. Indications are that this will fall further. For example, recent bids have anticipated cost per job at an average of £10k.

Recommendations

The evaluation identifies several recommendations based on these early LGF projects. The new assurance and investment processes put in place by the Business Board, together with the recent process review undertaken by CPCA, have been designed to further develop a robust appraisal and evaluation processes. This will already have delivered action on many of the recommendations below. However, they are highlighted here, to reinforce learning from earlier systems and projects:

- Strengthen the initial appraisal stage: ensuring design of projects includes demand assessment and rationale that links outputs to necessary interim outcomes to then achieve longer term outcomes and intended objectives.
- Improve the quality of monitoring and closure reports and processes: including a central outputs and outcomes monitoring database.
- Increase emphasis on project evaluations and further embed a culture of evaluation as business as usual.
- Ensure Senior Responsible Officer continuity, wherever possible, and effective handover of information and project contacts where SRO changes.
- Capture wider socio-economic benefits of projects: for example, the contribution of transport projects to increasing GVA and business growth.
- Stronger early challenge and development of costings and delivery timetables within the project development process between project leads and delivery partners to ensure scrutiny of detailed project design and firm delivery timetables.
- Require detail from project leads and delivery partners on the understanding of demand and assessment of likely beneficiaries, particularly in relation to inward investment and knowledge intensive industries, and how the project design will meet objectives.

1 Introduction

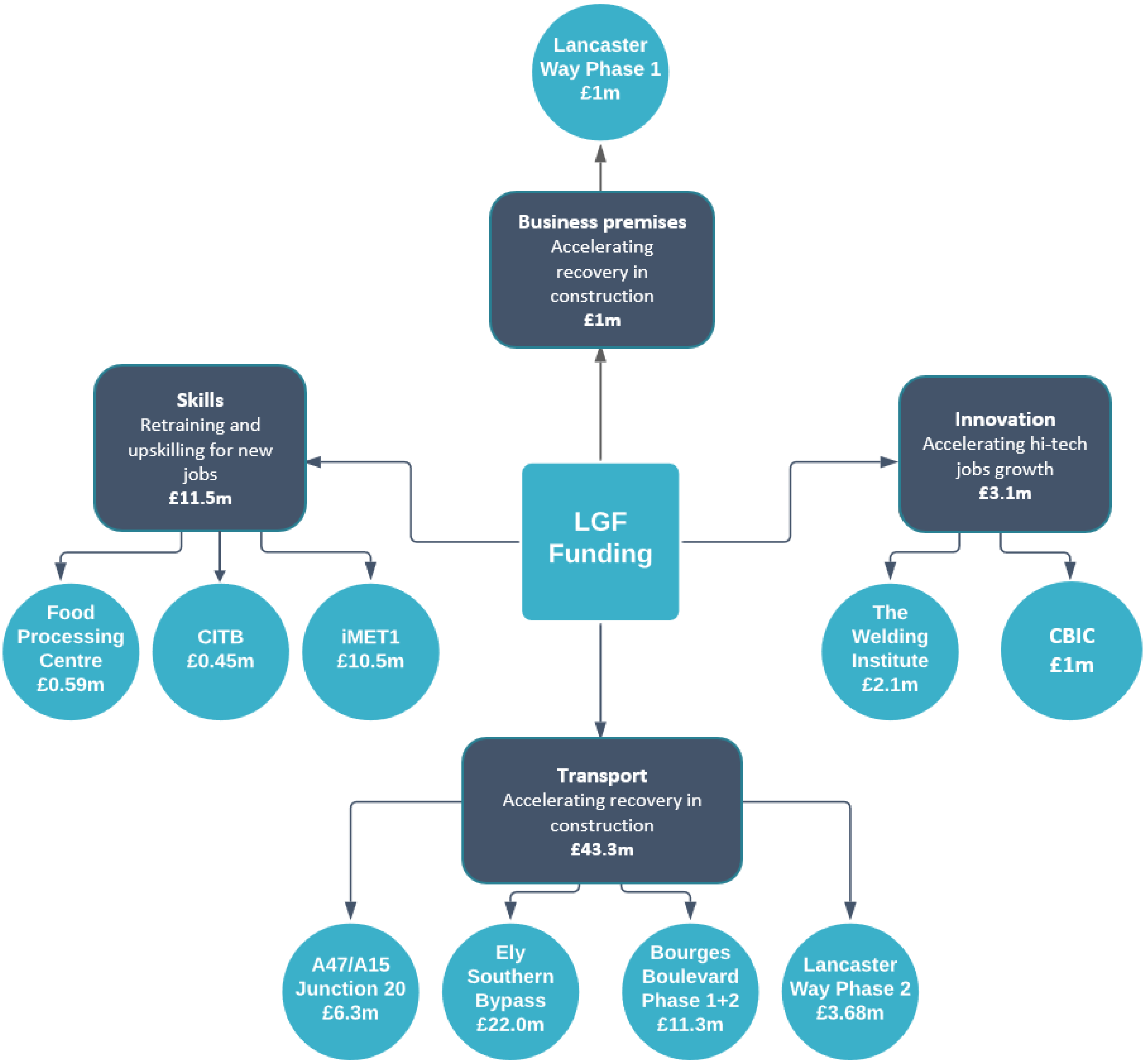
This evaluation for Cambridgeshire and Peterborough Combined Authority (CPCA) assesses the impact of investments made in 10 early projects initiated by the former Greater Cambridge and Greater Peterborough (GCGP) LEP supported by the Local Growth Fund (LGF) started between 2015 and 2016.

The aim of the evaluation commission was to consider how the individual projects had been delivered; how they performed against initial objectives and targets; and impacts achieved (to date and anticipated in the future) to determine the overall success of the projects and lessons for future projects and funding programmes managed and delivered by CPCA.

The evaluation was undertaken over autumn 2020 and focuses on 10 projects which collectively account for £58.92m of LGF investment, representing approximately 40% of the area's total Growth Deal funding commitment (shown in Figure 1, below).

The projects include a mix of transport, skills, innovation and business premises development, representing a varied investment portfolio and the nature of the funding that was available through the Local Growth Fund at this time. Transport was a key focus for the fund (with significant monies devolved from Department for Transport) and at £43.3m, accounts for 74% of the LGF funding covered by this evaluation.

Figure 1. Local Growth Fund projects covered in this evaluation.



Evaluation approach

The evaluation approach was structured as follows:

- A desktop review of project documentation held by the client team for each project, including project logic chains which set out the intended objectives, inputs, activities, outputs, outcomes and impacts of the investment; business cases; monitoring information and project closure reports. It should be noted that the range and coverage of the paperwork available for each project has varied. In some cases, this reflects the varying scale and nature of investment (which determined the level of detail that was required). However, there have also been cases where historic project files could not be located.

- Consultations with members of the CPCA team managing the LGF evaluation and the Head of Transport. It was initially intended that the consultation would include internal team members with knowledge of each of the project. However, given the historic nature of the projects, the transfer of LGF from the LEP to the Combined Authority and changes in personnel, contacts were limited.

- Consultation with the external project leads who were responsible for designing and/or delivering the projects. This again was somewhat limited by the historic nature of the projects and changes in personnel. Consultations were held with external project leads on 9 of the projects within the evaluation scope.

- Assessment of the impact, additionality and value for money of the projects, based on monitoring data and evidence gathered through the consultations and use of standard benchmarks to estimate a range of impacts.

It should be noted that there are limitations on the level of data and project detail available. Where there was no available recorded information this is reflected in the outputs and outcomes section of this report and recommendations are included in the reflections section on improving appraisal, monitoring and data capture for future investment projects.

Report structure

This report is structured as follows:

- **Context:** Sets out the national policy context for the LGF, the local geographic context (including the establishment of CPCA and LEP boundary changes), objectives set by GCGP LEP for the LGF programme and links to CPCA economic strategies.

- **Investment objectives:** Sets out the projects covered in this evaluation**,** including the logic model for the intended outputs and outcomes of the 10 projects.

- **Progress and impact:** Analyses the progress of projects, the outputs delivered and outcomes achieved, and assesses additionality and value for money.

- **Reflections:** Assesses strengths and weaknesses of the 10 investments, and makes recommendations to CPCA for managing future local growth investments.

The annexes to this report contain project-by-project detail including headline descriptions and costs, as well as logic models.

2 Context

Local Growth Fund

National policy aims

In 2012, Lord Heseltine produced 'No Stone Unturned', an independent review commissioned by the Government into boosting economic growth throughout the UK[1]. As part of its response to recommendations, in 2014 the Government launched the Local Growth Fund (LGF), a programme of capital funding for newly created Local Enterprise Partnerships (LEPs) in England to invest in their local areas to stimulate economic growth.

Through a series of Growth Deals, the Government granted LEPs funding totaling £12bn invested between 2014 and 2021. Funding from Government was pooled from central funds of the Department for Transport, the then Department of Business, Innovation and Skills, and the then Department of Communities and Local Government, to provide capital for local infrastructure projects in transport, skills, housing, innovation and business growth.

On announcing the first round of Growth Deals, the Government stated that investment would

'go towards providing support for local businesses to train young people, create thousands of new jobs, build thousands of new homes and start hundreds of infrastructure projects'

including

'more than 150 roads, 150 housing developments and 20 stations, as well as providing small business support services in every part of England and significant investment in skills training; working to improve educational attainment; getting more people from welfare to work'[2].

LEPs submitted Strategic Economic Plans (SEPs) to Government outlining their local economic priorities and plans to boost local growth. Government expected that LEPs meet local strategic objectives set out in SEPs through their LGF investments, rather than setting specific national objectives for the funding[3]. In 2019, the Government set out further guidance on how LEPs should evaluate investments, which included indicative outputs and outcomes that investments might expect to deliver, but maintained that projects be evaluated against local strategic objectives[4].

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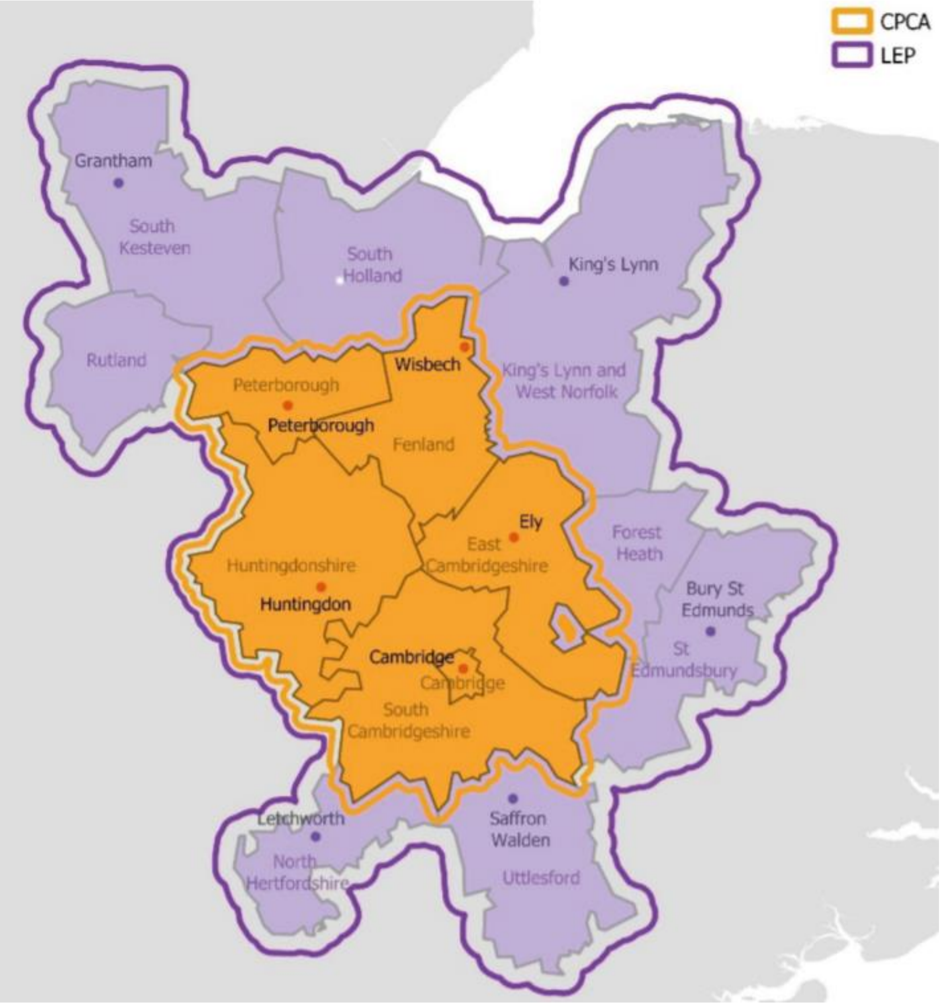
[1] The Rt Hon The Lord Heseltine, No Stone Unturned: In Pursuit of Growth, 2012 https://www.gov.uk/government/publications/no-stone-unturned-in-pursuit-of-growth
[2] UK Government, Growth Deals Press Release, 2014, https://www.gov.uk/government/news/growth-deals-firing-up-local-economies
[3] UK Government, Local Enterprise Partnership National Assurance Framework, 2016, https://www.gov.uk/government/publications/local-enterprise-partnership-national-assurance-framework
[4] UK Government, National Local Growth Assurance Framework, 2019, https://www.gov.uk/government/publications/national-local-growth-assurance-framework

Devolution Deal

In 2017, local authorities in Cambridgeshire and Peterborough agreed a Devolution Deal for the area with the Government, and the Cambridgeshire and Peterborough Combined Authority (CPCA) was established.

The Greater Cambridge and Greater Peterborough LEP was replaced by the Cambridgeshire and Peterborough Combined Authority Business Board in 2018. This changed organisational boundaries and removed overlaps with LEPs in Norfolk, Suffolk, Essex, Hertfordshire, Lincolnshire and Rutland. Due to the timing of LGF investments, a number of projects in scope fall within the former GCGP LEP boundaries.

Figure 2. GCGP LEP boundary compared with CPCA boundary



The CPCA Business Board ensures the voice of local business leadership supports the delivery of investment in Cambridgeshire and Peterborough to meet growth ambitions for the area.

The Cambridgeshire and Peterborough Independent Economic Review (CPIER), which reported in 2018, provided the area with a comprehensive economic evidence base, and recommendations on maximising the success of future growth. The subsequent development of a Local Industrial Strategy, Spatial Plan, Housing Strategy, Local Infrastructure Strategy, a Local Transport Plan, Skills Strategy and Sector Strategies, have provided further evidence and strategy for the Combined Authority's ambitions for the local economy since LGF investment began.

Cambridgeshire and Peterborough local growth priorities

GCGP Growth Deals

The former Greater Cambridge and Greater Peterborough LEP was awarded £71.1m of LGF capital in the 2014 first round of Growth Deals, an additional £38m in round 2 in 2015, and a further £37.6m in 2017 in round 3 – **a total of £146.7m**.

The stated aims of the Greater Cambridge and Greater Peterborough Growth Deals were to:

- Drive innovation and business growth,
- Support housing delivery,
- Invest in skills infrastructure,
- Fund transport improvements,
- Develop the area's two Enterprise Zones,
- Spread the benefit of the 'Cambridge Phenomenon[5]' by exploring opportunities for business scale-up and disruptive innovation in key sectors, and
- Alongside other funding being made available through the Cambridgeshire and Peterborough Devolution Deal, help meet the local area's need for housing.[6]

GCGP Strategic Economic Plan

As shown in Figure 3 below, Greater Cambridge and Greater Peterborough's SEP outlined the following local ambitions:

- Be the UK's exemplar area for digital connectivity,
- Remove the skills barrier to continued growth,
- Deliver a growth hub to support business growth,
- A transport system fit for an economically vital high growth area,
- Respond to existing pressure for the growth and retention of businesses by facilitating the provision of additional innovation and incubation space, and

[5] Term coined by the Financial Times in 1980 referring to the cluster of companies in and around Cambridge developing software, electronics and biotechnology.
[6] UK Government, Growth Deal 3 GCGP LEP fact sheet, 2017, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/589199/170202_GCGP_LEP_GD_factsheet.pdf

- Develop the Alconbury Weald Enterprise Campus[7].

Figure 3. GCGP LEP SEP ambitions 2015

TO BE THE UK'S EXEMPLAR AREA FOR DIGITAL CONNECTIVITY

• Identify opportunities to use the world-class experience of companies in our area to provide a world leading digitally connected area
• Ensure infrastructure provides world-class mobile and broadband coverage
• Support the growth of digitally enabled businesses, the increasing digital aspirations of rural economy, and the demand from inward investors for a world-class provision

DELIVER A GROWTH HUB TO SUPPORT BUSINESS GROWTH

• Translation of innovation from start-up to commercialisation
• Entrepreneurship and growing existing businesses
• Increase the export of goods and services
• Capacity to draw down financing - private and public
• Extend our existing successful grant/loan funds
• Create a focused inward investment offering

RESPOND TO EXISTING PRESSURE FOR THE GROWTH AND RETENTION OF BUSINESSES BY FACILITATING THE PROVISION OF ADDITIONAL INNOVATION & INCUBATOR SPACE

• Support the delivery of Innovation & Incubation space in partnership with the private and public sector
• Create a fund mechanism that seeks to share capital and risk funding with the private sector
• Support both refurbishment and new-build
• Target research, innovation and follow-on
• Encourage the expansion beyond Cambridge of technology businesses

REMOVE THE SKILLS BARRIERS TO CONTINUED GROWTH

• Align skills provision with business demand
• Raise aspirations and economic awareness of the workforce
• Support more businesses to effectively plan and budget for skills and training
• Expand upon the success of our Local Skills Teams
• Facilitate Centres of Excellence for key skills shortages
• Address shortage of higher-level skills required to support the growth of technology businesses

A TRANSPORT NETWORK FIT FOR AN ECONOMICALLY VITAL HIGH GROWTH AREA

• Use smart technology
• Work with partners to facilitate improvements on key routes
• Ensure the delivery of local transport priorities approved through the Local Transport Board
• Ensure linkage with national transport investment decisions
• Early engagement in transport studies with long term roll-out of programmes
• Identify scalable interventions that open up access to significant growth locations
• Encourage the delivery of long-haul flights from Stansted Airport to key international locations via a temporary Air Passenger Duty exemption

ALCONBURY WEALD ENTERPRISE CAMPUS

• Take forward the momentum of development on the site, including physical infrastructure, through a mix of financial investment
• Help cement the core vision of the Enterprise Campus by attraction of high technology businesses as 'early adopters' of the site

[7] Greater Cambridge and Greater Peterborough LEP Strategic Economic Plan Executive Summary, 2015, https://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/SEP-Exec-Summary-2015.pdf

CPCA investment monitoring and evaluation framework

The CPCA 2019 Monitoring and Evaluation Framework was shaped around the priorities and recommendations that were agreed by the CA following the CPIER and applies to all local investment programmes. This also sets out examples of approaches to be used in evaluating future investments.

The investment objectives in the CPCA Monitoring and Evaluation Framework cover all CPCA strategies and combine to form the Cambridgeshire and Peterborough 2030 Ambition: *a leading place in the world to live, learn and work*, comprising the following specific objectives:

- A good job within easy reach of home,
- Healthy, thriving and prosperous communities,
- A workforce founded on investment in skills and education,
- UK's capital of innovation and productivity, and
- A high-quality, sustainable environment[8]

[8] CPCA Monitoring and Evaluation Framework, 2019, https://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/ME-Framework-Mar-2019.pdf

3 Investment Objectives

Figure 4. LGF investment objectives in this evaluation[9]

Creation of jobs

Accommodated in new commercial space constructed with LGF investment

Accommodated in new commercial space unlocked by LGF investment in transport

Delivery of new homes

Unlocked by LGF investment in transport

Upskilling for key sectors

Food processing, Manufacturing, Engineering, Technology

Attraction of inward investment

Research and development funding at innovation facilities

Commercial and housing sites unlocked by LGF investment in transport

Addressing skills gaps

Additional technical and vocational training levels 1-4

Apprenticeships – immediate, advanced and higher

Generation of additional GVA

As a result of new jobs and productivity improvements experienced by businesses adopting innovative processes and recruiting a skilled workforce

[9] Ekosgen, conversations with LGF project leads from GCGP LEP/CPCA, 2020.

Investment summary

The initial Greater Cambridge Greater Peterborough LEP Growth Deal agreed with Government in 2014, and subsequent extension in 2015, was based on a total LGF funding package of £146.7m.

This evaluation focuses on 10 early investment projects listed below collectively account for £58.92m of LGF investment, 40% of the area's total Growth Deal allocation.

Table 1. Summary of LGF investment in this evaluation

Early LGF Investments Summary					
Project	Delivery lead	Completed	LGF (£m)	Match (£m)	LGF leverage
Transport			£43.28m		
A47/ A15 Junction 20	Peterborough City Council	2017	£6.3m		100%
Bourges Boulevard Phase 1 and 2	Peterborough City Council	2019	£11.3m		100%
Lancaster Way Phase 2	Grovemere Property Limited	2018	£3.68m		100%
Ely Southern Bypass	Cambridgeshire County Council	2019	£22m	£9m CCC £5m Network Rail	61%
Skills			£11.536m		
CITB Plant Simulator Centre	Construction Industry Training Board	2017	£0.45m	£1m CITB	31%
iMET	Cambridge Regional College, Peterborough Regional College	2018	£10.5m		100%
Food Processing Centre	Peterborough Regional College	2017	£0.586m	£0.586m PRC	50%
Innovation			£3.1m		
The Welding Institute	The Welding Institute	2016	£2.1m	£0.75m TWI	74%
Cambridge Biomedical Innovation Centre	University of Cambridge	2018	£1m	£3.064m UoC	25%

Business premises			£1m		
Lancaster Way Phase 1	Grovemere Property Limited	2018	£1m		100%
Total			£58.92m		

LGF investment across the 10 early projects comprise a mix of transport, skills, innovation and business premises projects, with transport as a key focus, accounting for 74% of early LGF investment in Cambridgeshire and Peterborough. This reflects national policy for LGF funding at the time, and the Department for Transport's key role in providing funding.

The investments responded to local priorities in enabling transport infrastructure; reducing congestion, improving pedestrian and cycleways and supporting businesses in the area including the Lancaster Way Enterprise Zone, Ely and Peterborough.

Half of the early investment projects were fully funded by LGF. These were mostly full grants, with a loan instrument used for Lancaster Way Enterprise Zone unit and enabling transport infrastructure. Match funding supported:

- Ely Southern Bypass with Network Rail and Cambridgeshire County Council funding
- CITB Plant Simulator Centre with co-investment
- The Welding Institute with co-investment
- Food Processing Centre with Peterborough Regional College funding
- Cambridge Biomedical Innovation Centre with University of Cambridge funding

Investment logic model

The logic model in Figure 5 below shows the combined objectives above across the start of the investment programme by project theme – transport, skills, innovation and business premises.

For each project, the logic model shows the rationale, inputs, and the outputs and outcomes that projects intended to deliver.

The impact section summarises by project theme the overarching objectives that have been achieved. This forms a simple qualitative statement that objectives have been achieved, as there are not quantifiable targets attached to overarching objectives.

Figure 5. Logic model for LGF projects in this evaluation

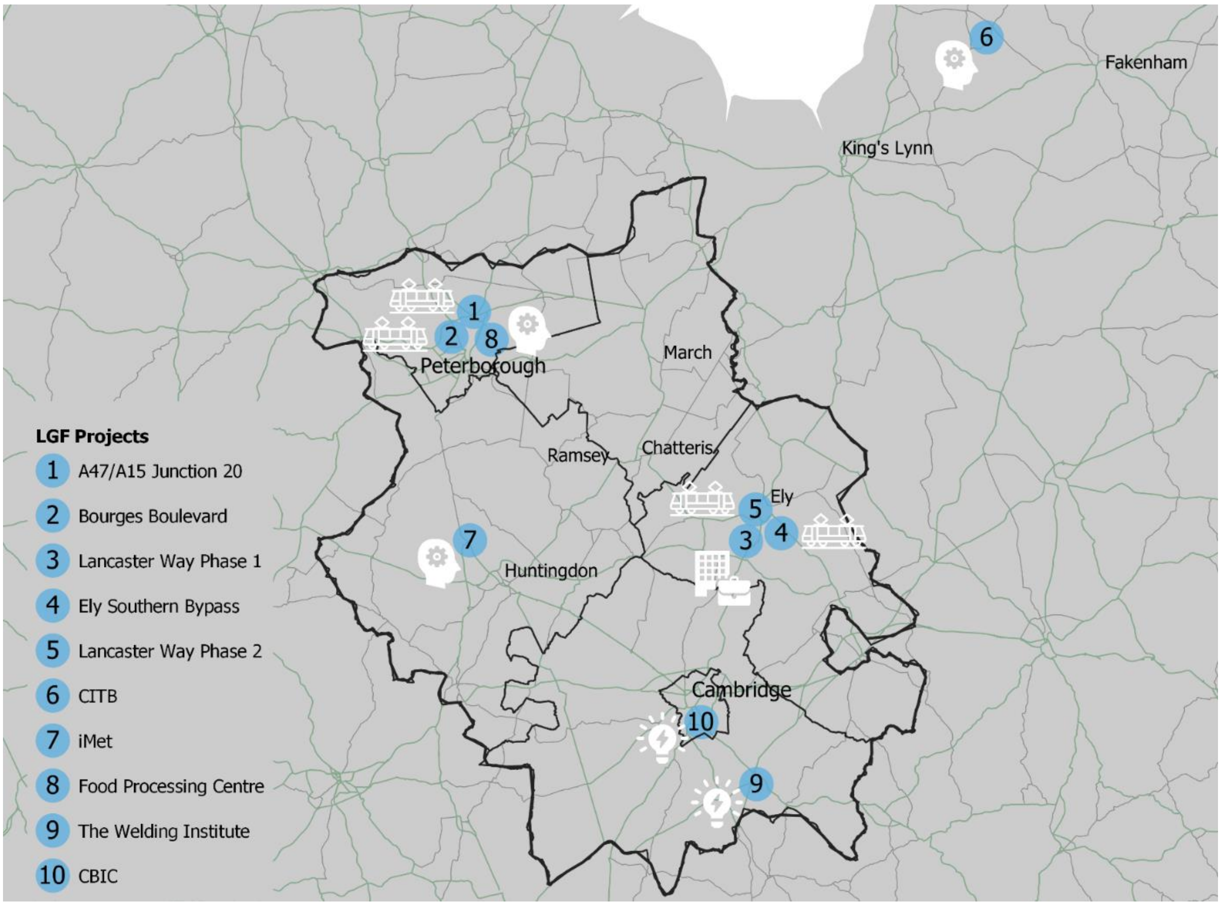
Logic Model										
	Transport				Skills			Innovation		Business premises
Objectives	Creation of jobs - a good job within easy reach of home Unlocking delivery of new homes Attraction of inward investment Addressing skills gaps - providing vocational training and apprenticeships Generation of additional GVA - UK's capital of innovation and productivity A high-quality, sustainable environment				Creation of jobs - a good job within easy reach of home Attraction of inward investment A workforce founded on investment in skills and education Upskilling for key sectors - food processing, manufacturing, engineering, technology Addressing skills gaps - providing vocational training and apprenticeships Generation of additional GVA - UK's capital of innovation and productivity			Creation of jobs - a good job within easy reach of home Attraction of inward investment - R&D at innovation facilities Addressing skills gaps - providing vocational training and apprenticeships Generation of additional GVA - UK's capital of innovation and productivity		Creation of jobs - a good job within easy reach of home Attraction of inward investment Generation of additional GVA
Project	A47/A15 Junction 20	Bourges Boulevard	Lancaster Way Phase 2	Ely Southern Bypass	CITB Plant Simulator Centre	iMET	Food Processing Centre	Cambridge Biomedical Innovation Centre	The Welding Institute	Lancaster Way Phase 1
Rationale	Improving the traffic flow at Junction 20 and enabling the development of the North East housing sites to cater for the increase in traffic as a result of increased employment and housing growth.	Improving the City Centre access in and around the Railway Station to reduce congestion. Whilst enabling the development of key brownfield commercial sites identified for expansion.	Improving employment opportunities in around Ely through enabling the development and expansion of commercial operators in the region.	Improving the traffic flow around Ely and reducing the accidents at the Station underpass. The project will also facilitate the progress of the Ely Masterplan which aims to increase employment and housing.	Increasing the number of learners and the practical time available for learners at the training institute, enhancing training for apprentices, providing hands on experience, and attracting new learners to the construction industry.	Improving employability of people living in the region.	Creating a practical learning environment replicating industry standards and practice to prepare young people for the working environment within a typical food production factory.	Creating a multi-occupier Innovation Centre to meet demand for accommodation on the campus by local, national and international startup and early stage companies.	Improving opportunities for development of research programmes and to facilitate the development and expansion of innovation across the region.	Improving opportunities in and around Ely, enabling development and expansion of commeecial operators in the region.
Inputs	£6.3m LGF grant	£11.3m LGF grant	£3.68m LGF loan	£22m LGF grant £9m Cambridgeshire County Council £5m Network Rail	£0.45m LGF grant £1m CITB co-investment	£10.5m LGF grant	£0.586m LGF grant £0.586m Peterborough Regional College co-investment	£1m LGF grant £3.064m University of Cambridge co-investment	£2.1m LGF grant £0.75m TWI co-investment	£1m LGF loan
Target Outputs	1km resurfaced road 1km new road Signalling and lighting infrastructure	14.96km resurfaced road 3km new road 17.45km new cycleway Signalling and lighting infrastructure	20 construction jobs 1 new access road Utility and communications infrastructure	1.7km of new road 1 new road bridge and walkway	195sqm new learning space 12 plant simulators	2,380sqm new learning space Mechanical, engineering and IT equipment	420sqm new learning space Food production equipment	2,780sqm new commercial space 6 startup spaces	858sqm new learning space 2,480sqm commercial space 1 operative pressure pit and lab equipment	1,251sqm new commercial space in 9 units
Target Outcomes	47 jobs 2,500 hosuing units unlocked	15,422sqm offices unlocked 290 housing units unlocked 160 bed hotel unlocked 380 apprenticeships	480 jobs 720 apprenticeships	2,000 housing units unlocked 70,000sqm commercial space unlocked	2 jobs 511 new learners	15 jobs 160 new learners 250 apprenticeships	372 new learners 327 apprenticeships	243 jobs 80 apprenticeships	80 jobs 4 apprenticeships	~
Impact	Jobs created Homes unlocked Inward investment attracted in commercial and housing development Apprenticeships created				Jobs created Upskilling opportunities in food processing, manufacturing, engineering and technology Vocational training and apprenticeships provided			Jobs created Inward investment attracted from early stage businesses Apprenticeships created		Jobs moved

Investment across Cambridgeshire and Peterborough

LGF investments were made across Cambridgeshire and Peterborough – within the boundaries of the former LEP:

- In **Cambridge**, LGF supported University innovation with the Cambridge Biomedical Innovation Centre.
- LGF helped to fund the expansion of The Welding Institute in **South Cambridgeshire**.
- In **East Cambridgeshire**, investment supported the development of the Ely Southern Bypass and the Lancaster Way Enterprise Zone business units and enabling infrastructure.
- In **Huntingdonshire**, LGF funded the construction of training facilities for manufacturing, engineering and technology at iMET.
- LGF supported import road improvements including pedestrian routes and cycleways, and the development of the College's Food Processing Centre in **Peterborough**.
- In **King's Lynn** – formerly in the LEP area but now outside of the Combined Authority area due to boundary changes – LGF supported the CITB Plant Simulator Centre.

Figure 6. Map of LGF projects in this evaluation with CPCA boundary



4 Progress and Impact

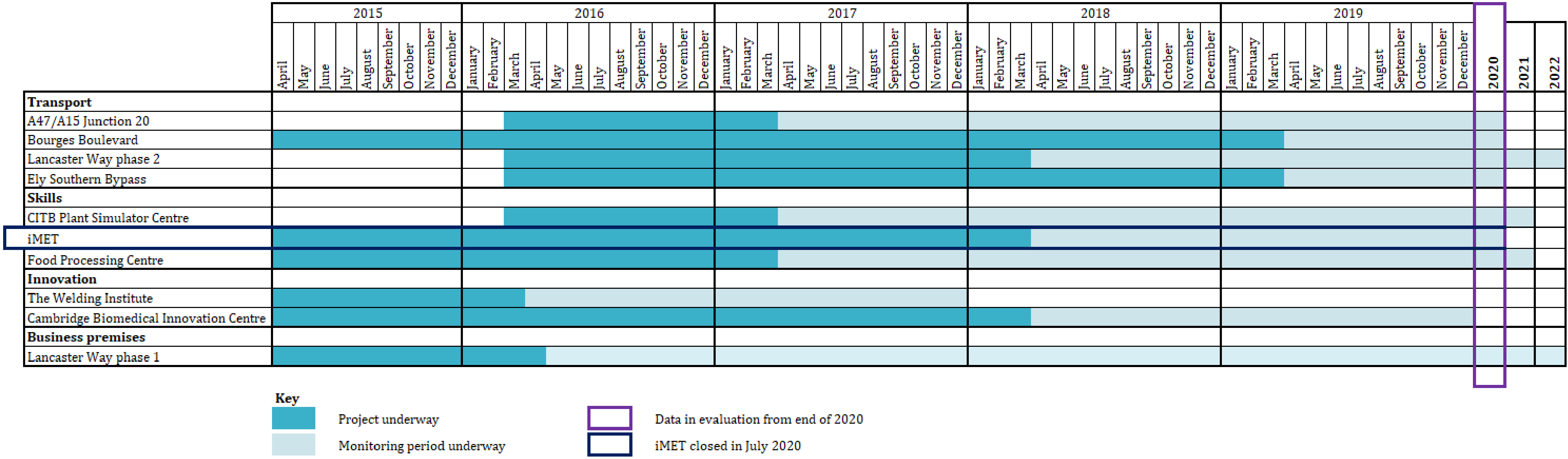
The timeline in **Figure 7** shows the progress of the 10 LGF projects, from the start of projects getting underway, to their completion, and the subsequent CPCA monitoring period after completion.

The timeline assumes, with lack of precise data on dates, that LGF funding from Government was drawn down from the beginning of the 2015/16 financial year (the first Growth Deals announcement states that projects will start from 2015[10]), and project start and completion dates coincide with financial years (e.g. where project information states it was completed in 2017, this is shown at March 2017, the end of the 2016/17 financial year).

To note, the timeline is based on information available at the end of 2020, and the iMET closed in July 2020.

[10] UK Government, Growth Deals Press Release, 2014, https://www.gov.uk/government/news/growth-deals-firing-up-local-economies

Figure 7. Timeline of LGF projects in this evaluation



Outputs and outcomes delivered

The project **outputs** are defined as physical assets and infrastructure constructed, refurbished or bought, and value created during the processing – e.g. construction jobs.

On information available for this evaluation, we can assess that **e**very project delivered the outputs they were forecast to achieve.

Table 2. Outputs achieved across all projects

Target		Delivered %
LGF investment	£58.92m	**100%**
Construction jobs	20	**100%**
Total length of resurfaced road (km)	15.96km	**100%**
Total length of new road (km)	5.7km + 1 new access road	**100%**
Total length of new cycleway (km)	17.45km	**100%**
New or improved learning floorspace (sqm)	3,853sqm	**100%**
New commercial floorspace (sqm)	4,031sqm in 6 startup spaces and 9 units	**100%**
Refurbished commercial floorspace (sqm)	2,480sqm	**100%**
New equipment/ infrastructure	2 signaling and lighting installations 1 utility and comms infrastructure 1 new road and bridge walkway 12 plant simulators 1 mechanical engineering and IT equipment installation 1 food production equipment installation 1 operative pressure pit and lab equipment installation	**100%**

Outputs across each of the investment themes are presented in the following section. **Table 5** at the end of the section (page 29) shows the forecast and actual outputs across projects based on available information.

Project **outcomes** are defined as the benefits achieved after facilities and infrastructure came into use – e.g. jobs and training places located at facilities or land unlocked for further development - and are assessed using a Red Amber Green (RAG) rating to show progress against the target:

Red – outcomes are rated red where they meet **less than 30% of targets**

Dark amber – where outcomes meet between **30% and 50% of targets**

Amber – where outcomes meet **more than 50% of targets**

Green – where outcomes **meet or exceed 100% of targets**

On information available, most projects receive amber or dark amber RAG ratings for outcomes – showing that at the point of evaluation, based on information at the end of 2020, few of the forecast outcomes had been achieved.

Table 3. Outcomes achieved across all projects

Outcomes achieved and reported to date			
	Target	**Achieved**	**%**
Jobs created	867	1,233	**142%**
Land unlocked (commercial sqm / housing units)	4,790 housing units 85,422sqm commercial space ~ 160 bed hotel	2,679 houses 11,738sqm commercial space 6,300sqm land for commercial development ~	**56%** **14%** **~** **0%**
New learners	1,043	611	**59%**
Apprenticeships	1,761	635	**36%**
Businesses supported	~	70	**~**
Average			**51%**

This indicates that although all *outputs* were delivered, these have failed to fully translate into desired *outcomes.* This calls into question whether the design phase of the projects sufficiently considered how the outputs defined would lead to outcomes that would firmly address the stated rationale for intervening.

One project – the CITB Plant Simulator Centre – receives a green RAG rating as it has achieved its forecast outcomes.

Two projects – the iMET and Food Processing Centre – have been designated red RAG ratings as they have achieved less than 30% of targets. iMET has now permanently closed after being deemed commercially unviable.

One project – the Cambridge Biomedical Innovation Centre – is currently closed due to Covid-19 restrictions, but this is expected to be temporary.

Three projects receive amber ratings for achieving between 50 and 100% of targets outcomes, and the remaining four projects receive dark amber ratings, as they have met between 30 and 50% of targets.

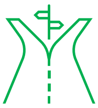
Outputs across each of the investment themes are presented in the following section. **Table 6** at the end of the section (page 279) shows the forecast and actual outcomes of projects based on available information.

To note, the RAG ratings only take into account outcomes for which we have information on targets, so stated outcomes without available targets are not included in the RAG rating assessments.

Outputs and outcomes by theme

Transport

Figure 8. Outputs and outcomes delivered through transport projects



21.7km road resurfaced /new road built

17.5km new cycleway

New equipment/ infrastructure

196%	56%	21%	30%
of jobs created	of housing units unlocked	of commercial land unlocked	of apprenticeships created

Transport investment was focused on improving road congestion and increasing access at key development sites in Peterborough and Ely. Outputs were targeted at constructing new and resurfacing road, widening lanes and junction approaches, and improving signaling, walkways and cycleways. Investment intended to improve congestion and access to key housing and commercial areas and development sites including the Lancaster Way Enterprise Zone. Transport projects also intended to meet local LGF objectives of accelerating recovery in construction. Across transport projects, there is evidence that land for commercial development and housing is being unlocked and that jobs have been created as a result of investment, however, little detail on the specific impact on construction businesses.

In Peterborough, two key sites had road improvements developed through the LGF programme:

Junction 20 is a key interchange on Peterborough's strategic road network going east and west along the A47, and north and south across the A15, as well as providing interchange links to the A1 and A16. As a result of an increase in traffic volumes, exceeding capacity and causing congestion, and further traffic growth expected to further exacerbate challenges due to nearby proposed developments. LGF investment delivered a series of capacity improvements, including 1km of resurfaced road and 1km of new road at the junction approach, roundabout signalisation, and improved street lighting. Junction 20 has created jobs to target, and has made progress on unlocking housing. The housing units unlocked and awaiting planning however total 1,140, which remains under the 2,500 target. Overall, based on information available on targets and achieved outcomes, this project has achieved an average of 63% of its target outcomes, and received an amber RAG rating.

Bourges Boulevard dual carriageway runs through Peterborough city centre and serves the railway station as well as several business parks and development sites. Improvements included increased lanes with 14.96km of resurfaced road, 3km of new road, 17.45km of new cycleway, junction signalisation, new pedestrian crossings, and improved street lighting. Bourges Boulevard has created jobs and unlocked commercial space, housing and a new hotel to target, however, has undershot on its target for 380 apprenticeships, having delivered 100. **This project has overall achieved an average of 42% of its target outcomes and has been designated a dark amber RAG rating.**

Ely is located on the A142 Primary Road between Newmarket and Chatteris and the north-south A10 Primary Route between Cambridge and King's Lynn. These routes are important links in the network, linking the Cambridgeshire Fens and Norfolk with Cambridge and the trunk road network to the south and east.

The **Ely Southern Bypass** was introduced to provide a solution to regular long queues on the existing A142 for HGVs and freight due to obstruction and delay at the level crossing. Attempts to avoid this caused regular large vehicle strikes of the Ely low bridge underpass. The Ely Southern Bypass has provided 1.7km of new highway infrastructure that bypasses a section of the A142 between Angel Drove and Stuntney Causeway. The bypass intended to ease congestion around Ely by providing a new link to the south of the city that removed the need for larger vehicles to use a railway level crossing and avoid an accident-prone low bridge. The bypass has so far unlocked housing development almost to target (1,800 units of a 2,000+ target) and created 250 jobs. There isn't available information in this evaluation to understand progress on the targeted 70,000sqm of unlocked commercial development, but this is set for 2032.

An average of 45% of this project's target outcomes have been achieved, giving this project a dark amber RAG rating.

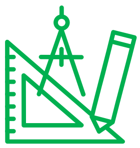
Ely's Lancaster Way Enterprise Zone received LGF infrastructure investment for an access road, road surfacing, waste drainage and service utilities to facilitate the occupation and growth of the Enterprise Zone. Lancaster Way Phase 2 has unlocked 2,262sqm of commercial space and 0.63ha for land for commercial development, for which target information is not available. However, the project has not met targets for job creation (achieving 280 against a target of 480 by 2024) or apprenticeships (achieving 235 against a target of 720).

This project receives an amber RAG rating as it has achieved an average of 46% of its target outcomes.

Business premises

Figure 9. Outputs delivered for business premises

9 new business park commercial units



1,251sqm commercial space

As part of LGF investment in **Lancaster Way Enterprise Zone** in Ely, a mixed-sector development of accommodation was developed. Phase 1 of the Lancaster Way project delivered nine industrial units totaling 1,251sqm of new commercial space to accommodate startups and small businesses in response to local market demand. Whilst the project has relocated 30 jobs from elsewhere in the area, formal outcomes were not set – outputs only.

Skills

Figure 10. Outputs and outcomes delivered through skills projects

2,995sqm learning space

New specialist facility equipment

53%	59%	43%
of jobs created	of new learners supported	of apprenticeships created

Across the area, skills investment delivered targeted new and improved facilities for training in manufacturing, construction, engineering and food processing, to support vocational learners. Investment intended to support vocational learning across the area and support local sectors, to meet the local LGF objective of improving education capacity for upskilling and retraining for new jobs.

The creation of a **Plant Simulator Centre** on the National Construction College East campus in King's Lynn, sponsored and co-funded by the Construction Industry Training Board. This provided 195sqm of converted learning space from CITB/National Training College training facilities to deliver a customised facility with 12 plant simulators that recreate the operating controls and the operating environment of heavy plant equipment. LGF investment supported the creation of a **Plant Simulator Centre** on the National Construction College East campus in King's Lynn, sponsored and co-funded by the Construction Industry Training Board.

This project receives a green RAG rating for outcomes, as it has delivered on its targets of creating 2 new jobs and supporting 511 learners, and has created 190 apprenticeships.

iMET (Innovation, Manufacturing, Engineering and Technology), a joint venture between Cambridge and Peterborough Regional Colleges with LGF funding on Alconbury Weald Enterprise Zone. iMET was built to house state-of-the-art facilities and equipment available to local, regional and national training organisations, and working with local businesses to develop and ensure relevance of training programmes, to deliver technical, advanced and higher vocational skills training in Manufacturing, Engineering and Technology to regional industry. By 2018, outputs delivered included 2,380sqm of new learning space and mechanical, engineering and IT equipment, creating 7 jobs and 48 apprenticeships. However, the iMET was closed in July 2020 due to commercial unviability.

The project has been designated a red RAG rating: before its closure, it achieved an average of 22% of its target outcomes.

A dedicated **food processing and manufacturing education and training Centre of Excellence** established by Peterborough Regional College to meet training needs of the local food manufacturing and processing industries. Investment supported capital works for 420sqm of new learning space, and provision of equipment to replicate industry working conditions and provide training on industry standard equipment. The project has so far supported 100 learners and 32 apprentices through 10 employers, against targets of more than 300 learners and apprentices each.

This represents an average of 18% of its target outcomes, and therefore this project receives a red RAG rating.

Innovation

Figure 11. Outputs and outcomes delivered through innovation projects

5,260sqm commercial space

858sqm learning space

New specialist equipment

50% of jobs created

36% of apprenticeships created

LGF investment in innovation supported two research strengths in Cambridgeshire – welding technologies and biomedical science – and supported the expansion of expert hubs with the Welding Institute and University of Cambridge. The projects intended to meet the local LGF objective of accelerating hi-tech jobs growth in the area and support startup incubation.

The Welding Institute, a research and technology organisation specialising in welding and joining technologies, expanded its headquarters at Granta Park in South Cambridgeshire with LGF investment to provide a new facility for the fabrication and testing of large-scale engineering structures. The capital programme delivered 2,480sqm of refurbished commercial space, 858sqm of refurbished learning space, specialist fabrication equipment and testing machinery including an operative pressure pit. The facility supports a range of industries including oil and gas, energy, aerospace and rail.

TWI receives an amber RAG rating for outcomes, having achieved an average of 51% of its targets: 82 new and safeguarded jobs and supporting 15 SMEs, however, with no information on apprenticeship creation achieved.

The University of Cambridge invested LGF in creating an Innovation Hub on the **Cambridge Biomedical Campus**. The University refurbished and modified the Bay 13 Building at University teaching Hospital Addenbrookes and converted an empty building into a multi-occupier Innovation Hub, delivering 2,780sqm new commercial space for the University's

IdeaSpace and community led BiomakeSpace to support local innovative startups with office, meeting and coworking space. The Biomedical Innovation Centre is currently closed due to Covid-19 restrictions, however this is expected to be temporary. The project receives a dark amber RAG rating as it has not achieved its targets on job creation (80 against a target of 243) and apprenticeship creation (30 against a target of 80). Before it was temporarily closed, the Centre was supporting 15 full time business members and 30 part time members in its startup space. This represents an average of 35% of its target outcomes, giving the project a dark amber RAG rating on outcomes.

Table 4. Project outputs: evaluation of forecast vs. actual

Project outputs																
Project	Construction jobs		Length of resurfaced road		Length of new road		Length of new cycleway		New or improved learning floorspace		New commercial floorspace		Refurbished commercial floorspace		New equipment/ infrastructure	
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
Transport																
A47/ A15 Junction 20			1km	1km	1km	1km									Signaling, lighting	Signaling, lighting
Bourges Boulevard			14.96km	14.96km	3km	3km	17.45km	17.45km							Signaling, lighting	Signaling, lighting
Lancaster Way Phase 2	20	20			1 new access road	1 new access road									Utility and comms infrastructure	Utility and comms infrastructure
Ely Southern Bypass					1.7km	1.7km									1 new road bridge and walkway	1 new road bridge and walkway
Skills																
CITB Plant Simulator Centre									195sqm	195sqm					12 plant simulators	12 plant simulators
iMET									2,380sqm	2,380sqm					Mechanical, engineering, IT equipment	Mechanical, engineering, IT equipment
Food Processing Centre									420sqm	420sqm					Food production equipment	Food production equipment
Innovation																
The Welding Institute									858sqm	858sqm			2,480sqm	2,480sqm	1 operative pressure pit. lab equipment	1 operative pressure pit. lab equipment
Cambridge Biomedical Innovation Centre											2,780sqm 6 startup spaces	2,780sqm 6 startup spaces				
Business premises																
Lancaster Way Phase 1											1,251sqm 9 units	1,251sqm 9 units				

Table 5. Project outcomes: evaluation of forecast vs. actual

Project outcomes												
Project	Jobs created		Land unlocked (commercial / housing)		New learners		Apprenticeships		Businesses supported		Other outcomes	RAG
	Forecast	Actual (2020)	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual		
Transport												
A47/ A15 Junction 20	47	47	2,500 housing units	650 housing units [+490 need planning]								63%
Bourges Boulevard		455	15,422sqm offices 290 housing units 160 bed hotel by 2030	9,476sqm offices 229 housing units			380	100				42%
Lancaster Way Phase 2	480 by 2024	280		2,262sqm commercial space 6,300sqm land for commercial development			720	235				46%
Ely Southern Bypass		250	2,000 new homes by 2032 70,000sqm commercial space by 2032	1,800 housing units								45%
Skills												
CITB Plant Simulator	2	2			511	511		190				100%
iMET	15 by 2022	7			160		250 by 2021/22	48			Permanently closed – commercially unviable	22%
Food Processing Centre					372	100	327 by 2022	32		10 employers		18%
Innovation												
The Welding Institute	80	82 new / safeguarded					4			15 SMEs		51%
Cambridge Biomedical Innovation	243	80					80	30		45 member businesses	Temporarily closed – Covid-19 restrictions	35%
Business premises												
Lancaster Way Phase 1		30 from elsewhere										

Economic impact and additionality

The following sections assess the economic impact of four key outcomes across this round of LGF investments: jobs created, apprenticeships created, housing units built and commercial floorspace unlocked. This is based on limited information available, and therefore provides an indicative estimate on economic impact and additionality.

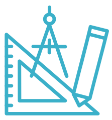
Figure 12. Summary of economic impact - net + additional effects

Jobs

822 net additional jobs

Adding estimated £45.62m in GVA

Apprenticeships



635 apprenticeships

Net productivity gain of £6.3m per year

Housing

Adding £54.9m in additional household spending

£2.5m in Council Tax receipts and S106 contributions

Estimated additional GVA from house building of £178m

Commercial floorspace

Space for an additional 451 workers

Jobs

Figure 13 shows additionality estimates on jobs created from the gross total 1,233 jobs achieved across all projects.

Here we have used standard measures to calculate additionality based on HCA[11] and What Works Centre[12] ready reckoners:

- We assume the HCA overall average of 24% deadweight from gross jobs

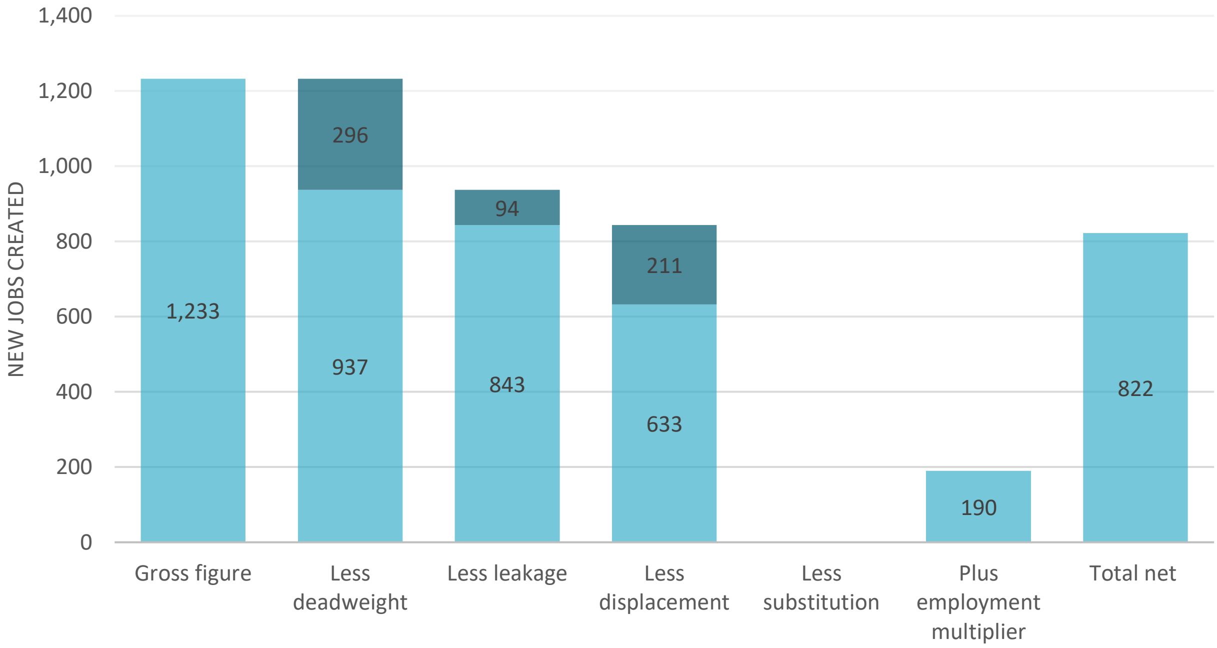
[11] Housing and Communities Agency, Additionality Guide, 2014 https://www.gov.uk/government/publications/additionality-guide
[12] What Works Centre for Local Economic Growth, Toolkit: Local Multipliers https://whatworksgrowth.org/resources/toolkit-local-multipliers/

- We use the HCA low leakage assumption of 10%
- For displacement, we use the low displacement assumption of 25%
- Zero substitution is assumed
- We use the What Works Centre general tradable jobs multiplier of 1.3

This results in a gross to net jobs creation of **822 net + additional jobs**.

To understand the wider value to the economy of the jobs created, we can take the average GVA per job for the CPCA area and multiply by the net additional jobs created. From Metro Dynamics analysis on behalf of CPCA, we estimate that average GVA per job is £55,5000 per job from 2018 figures[13]. Therefore, £55,5000 x 822 = **£45.62m GVA**.

Figure 13. Gross to net jobs created



Apprenticeships

Figure 14 shows additionality estimates on productivity from 635 apprenticeships created achieved across all projects.

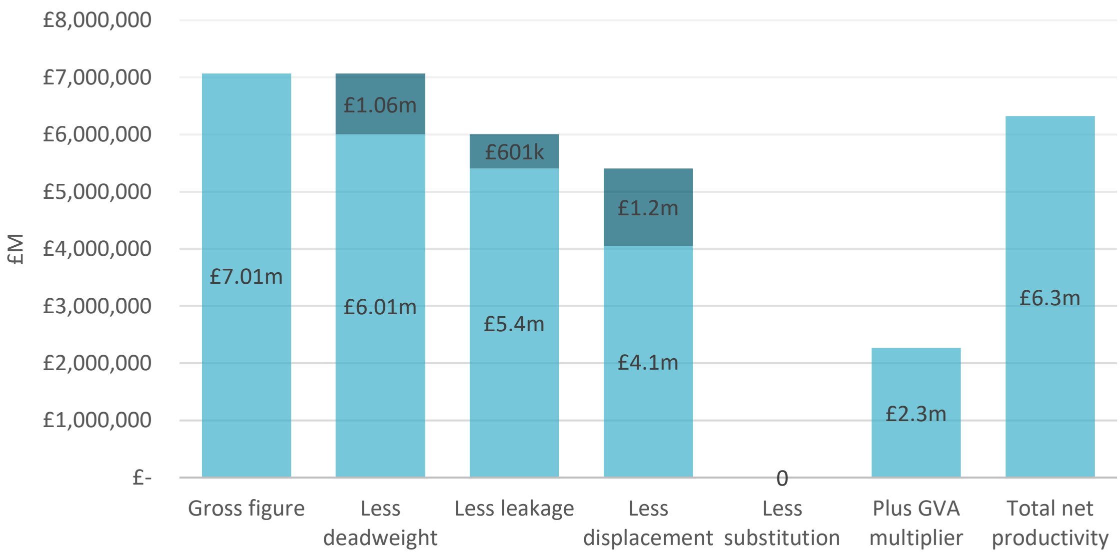
Here we have used standard measures to calculate additionality based on HCA[14] and Scottish Government[15] ready reckoners:

[13] Metro Dynamics analysis of ONS BRES and Regional Accounts data, 2018.
[14] Housing and Communities Agency, Additionality Guide, 2014 https://www.gov.uk/government/publications/additionality-guide
[15] Scottish Government, multipliers data, 2017 https://www.gov.scot/publications/input-output-latest/

- We assume the HCA training and labour market access average of 15% deadweight from gross productivity
- We use the HCA low leakage assumption of 10%
- For displacement, we use the low displacement assumption of 25%
- Zero substitution is assumed
- We use the Scottish Government composite GVA multiplier of 1.56

We used CEBR data on productivity impact of apprenticeships to calculate the below net productivity impact[16].

Figure 14. Gross to net productivity from apprenticeships created



[16] CEBR, Economic Impact of Apprenticeships, 2014 https://cebr.com/reports/economic-impact-of-apprenticeships/

Commercial space

Error! Reference source not found. shows the economic impact from the gross 18,038sqm commercial space unlocked as outcomes across all projects. From gross commercial space unlocked, this accommodates 451 workers based on HCA and Offpat[17]

Table 6. Gross to net commercial space and accommodated workers

Floorspace achieved	GIA (m2)	NIA (m2)	Average space needed per worker (m2)	Total numbers of workers accommodated
	18,038	14,430	32	451

Housing

Table 7 shows additionality estimated on the economic impacts from the 2,679 new housing units unlocked across all projects.

Here we have used standard measures to calculate additionality based on HCA[18] and Scottish Government[19] ready reckoners:

- We assume the HCA housing average of 26% deadweight from gross impacts
- We use the HCA low leakage assumption of 10%
- For displacement, we use the low displacement assumption of 25%
- Zero substitution is assumed
- We use the Scottish Government composite GVA multiplier of 1.56

This results in the below set of net impacts across household spending, jobs, council tax revenue, s.106 contributions and GVA.

[17] Homes and Communities Agency, Employment Densities Guide, 2010 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/378203/employ-den.pdf
[18] Housing and Communities Agency, Additionality Guide, 2014 https://www.gov.uk/government/publications/additionality-guide
[19] Scottish Government, multipliers data, 2017 https://www.gov.scot/publications/input-output-latest/

Table 7. Gross to net impacts of new housing units

Housing	Gross figures	Less deadweight	Less leakage	Less displacement	Less substitution	Net impact	Plus GVA multiplier	Final net impact
		26%	**10%**	**25%**	**0%**		**1.56**	
Increase in spend in shops and services	£70,545,940	£ 52,203,995	£46,983,596	£35,237,697	0	£35,237,697	£54,970,807	£ 54,970,807
Jobs	8,305	6,146	5,531	4,148	0	4,148	N/A	4,148
Council tax receipts	£3,025,106	£2,238,578	£2,014,720	£1,511,040	0	£1,511,040	N/A	£1,511,040
Average S.106 contribution per new home on new and improved schools	£1,458,747	£1,079,472	£971,525	£728,644	0	£728,644	N/A	£728,644
Average S.106 contribution per new home on open space, community, sport and leisure facilities	£538,062	£398,166	£358,349	£268,762	0	£268,762	N/A	£ 268,762
GVA per home built	£229,573,228	£169,884,189	£152,895,770	£114,671,827	0	£114,671,827	£178,888,051	£178,888,051

Value for money

The below table sets out a cost per output/outcome for all 10 LGF projects in this evaluation. The cost per output/outcome is illustrative here, as there is no available benchmarking data set at the outset of projects.

Table 8. Cost per output/outcome value for money assessment

Output/outcome	Achieved	Total LGF projects spend	Cost per output /outcome
Outputs			
New/resurfaced road	22.66km	£39.6m	£1.748m per km
Cycleway	17.45km	£6.3m	£361,032 per km
Learning space	3,853sqm	£13.64m	£3,540 per sqm
Commercial space built	6,511sqm	£4.1m	£630 per sqm
Construction jobs	20	£3.68m	£184,000 per job
Road / business park infrastructure	4 infrastructure installations	£43.28m	£10.82m per installation
Learning / industry equipment	4 industry equipment installations	£13.64m	£3.409m per installation
Outcomes			
Jobs created	822 (net additional)	£58.34m	£70,973 per job
Housing units unlocked	2,679	£39.6m	£14,781 per unit
Commercial space / development unlocked	18,038sqm	£14.98m	£830 per sqm
New learners	611	£1.04m	£1,696 per learner
Apprenticeships	635	£29.62m	£46,640 per apprenticeship
Businesses supported	70	£3.69m	£52,657 per business

Qualitatively, we can assess the value for money of individual LGF projects considering three factors:

- Economy: the extent to which project outcomes have been achieved for the minimum cost input (spending less)

- Efficiency: the costs with which outputs/outcomes (gross and/or net) have been delivered (spending well)
- Effectiveness: the extent to which the objectives defined for the intervention at the outset have been realised in practice and will be sustained in the future (spending wisely)

Using these factors, a qualitative assessment of value for money by project is set out in the following sections. Across the programme, this assessment shows a mixed picture for value for money on LGF investment, including within project themes.

Figure 15 shows a scale of ratings for assessing qualitative value for money of the LGF projects in this evaluation. As all projects met their output targets, this assessment focuses on differences between leverage of LGF and cost to public funding, and outcomes that have been achieved.

Figure 15. Qualitative Value for money ratings key

Very poor value for money	Poor value for money	Medium value for money	Good value for money	Very good value for money
High LGF leverage	Relatively high LGF leverage	Medium LGF leverage	Good match funding	Minimised cost to public funds
Cannot meet outcomes / unviable	Poor performance on outcomes	Lower proportion of outcomes achieved	Good performance on outcomes	Achieved more than its target outcomes

Most projects have been rated medium value for money, to reflect target outcomes having not been achieved to varying degrees, and varying levels of LGF grant and co-funding. The Food Processing Centre is assessed as poor value for money as it has achieved only 18% of target outcomes. The iMET is assessed as very poor value for money, due to having been deemed commercially unviable and closed, and costing a relatively high LGF grant. One project assessed as offering good value for money – CITB Plant Simulator Centre – minimised cost to public funds a relatively small LGF grant and good match funding, and achieved all its target outcomes.

Transport

	The **A47/A15 Junction 20** improvement invested £6.3m of LGF capital with no match funding, delivered 1km of resurfaced, 1km of new road with widened lanes at junction approach, signaling and lighting; resulting in 47 jobs, and 650 new homes being unlocked so far. On economy, the grant value appears relatively high for the size of the road area improved; on efficiency, all outputs met targets; but on effectiveness, while some outcomes have been met, the new housing unlocked so far falls short of targets. Therefore, **this project offers medium value for money**.
	Bourges Boulevard invested £11.3m of LGF with no match funding, delivered 14.96km of new road, 3km of resurfaced road, and 17.45km of new cycleway, signaling and lighting; resulting in 455 jobs, 100 apprenticeships, and so far unlocking 9,476sqm of commercial space and 229 new homes. **On economy, efficiency and effectiveness, this project delivers medium value for money**. Relative to other transport projects in this programme – has delivered outputs for lower LGF costs, delivered all outputs to target, but has delivered an average of 42% of target outcomes.
	Lancaster Way phase 2 utilised an LGF loan of £3.68m with no match funding and delivered a new access road to the Enterprise Zone, utility and communications infrastructure, creating 20 construction jobs; and resulting in 280 jobs, 235 apprenticeships, unlocking 2,262sqm of commercial space and 0.63ha of land for commercial development. On economy, the use of a loan instrument that was repaid represents good value for money; on efficiency, outputs were delivered to target; and on effectiveness, outcomes have been realised that support intended objectives, although targets on jobs and apprenticeships have not fully been met. **Overall, this investment offers medium value for money**.
	Ely Southern Bypass invested £22m of LGF alongside £9m from Cambridgeshire County Council and £5m from Network Rail. Investment delivered 1.7km of new road with a road bridge and walkway; and has so far resulted in 250 jobs and 1,800 new homes unlocked. On economy and efficiency, this is the only transport project that secured match funding and so utilised local and national funding sources to keep the LGF ask down, however the total project sum of £36m for a strategically significant but relatively short length of new road and infrastructure is high compared with other transport projects in this programme. On effectiveness, although the project supports objectives and the number of houses unlocked is almost to target, new commercial space has not been realised. **Overall, this project therefore offers medium value for money**.

Skills

	The **CITB Plant Simulator Centre** invested £0.45m of LGF with co-investment of £1m from CITB. The project delivered 195sqm of learner space with 12 plant simulators; and resulted in 2 jobs, 511 learners and 190 apprenticeships. On economy, the LGF sum was low, and CITB investment more than double the LGF grant; on efficiency, although a relatively modest-sized facility, investment delivered on target outputs; and on effectiveness, the project has realised target job and learner numbers, and is supporting strategic objectives with upskilling in

	a key local sector. **Overall, this project therefore offers good value for money.**
	The **iMET** invested £10.5m of LGF with no match funding, delivered 2,380sqm of learning space with supporting mechanical, engineering and IT equipment. Investment initially created 7 jobs and 48 apprenticeships, however, demand was found to be lower than expected, and the facility was deemed commercially unviable, and permanently closed. The relatively high LGF grant awarded with no co-investment, and relatively large facility built, without sufficiently robust understanding of local demand, means that **on economy, efficiency and effectiveness, this investment represents very poor value for money**.
	The **Food Processing Centre** invested £0.586m of LGF grant matched by £0.586m from Peterborough Regional College. The project delivered 420sqm of learning space and food processing equipment, and resulted in 100 new learners and 32 apprenticeships, supporting 10 employers. On economy and efficiency, the LGF grant was relatively low and matched by the College, and outputs were delivered to target. However, on effectiveness, although the facility supports a key local sector, targets for new learners and apprenticeships have not been achieved, with the project only meeting an average of 18% of target outcomes. **Overall, this project represents poor value for money**.

Business premises

	Lancaster Way phase 1 utilised an LGF loan of £1m, and delivered 1,251sqm of new commercial space across 9 units on the Enterprise Zone, resulting in 30 jobs accommodated from across the local area. On economy, this fully repaid loan demonstrates cost minimisation for public funds; on efficiency, investment delivered on all target outputs; and on effectiveness, jobs were moved into the new space to support the business park on the Enterprise Zone, but there is insufficient information to understand how far outcomes achieved their targets. **Overall, this project delivers medium value for money**.

Innovation

	The Welding Institute invested £2.1m of LGF grant with co-investment of £0.75m from TWI. The project delivered 858sqm of learning space with an operative pressure pit and lab equipment, and 2,480sqm of refurbished commercial space. This has achieved 82 new and safeguarded jobs and supports 15 SMEs. On economy, the LGF grant was supported by co-investment; on efficiency, all outputs were delivered to target; and on effectiveness, dedicated learning and commercial space was created supporting a key sector and exceeding the target on jobs, however, none of the four targeted apprenticeships have been created. **Overall, this investment offers medium value for money**.
	Cambridge Biomedical Innovation Centre invested £1m of LGF with co-investment of £3.064m from the University of Cambridge. The project delivered 2,780sqm of new commercial space for early-stage innovative businesses with 6 dedicated startup spaces. The space supported 45 member businesses, creating 80 jobs and 30 apprenticeships. On economy, the LGF grant was matched by more than three times by the University, delivering a large dedicated commercial space, on efficiency, the project met its outputs targets; however on effectiveness, the facility has so far fallen far short on jobs targets (achieving 80 against a target of 243) and apprenticeships (30 against a target of 80), and the facility is currently closed due to Covid-19 restrictions. With the future outcomes uncertain, O**verall this investment represents medium value for money**.

5 Reflections

Strengths of LGF investments

Investment benefited places across the LEP area

LGF funded projects were established across the geography of the GCGP LEP, with investment benefiting a range of business communities and people around Cambridge, Peterborough, South Cambridgeshire, East Cambridgeshire, Huntingdonshire, and King's Lynn (outside of the CPCA boundaries). Figure 6 (page 18) illustrates this by mapping projects across the area.

Project aims intended to support local objectives and priorities

GCGP LEP and CPCA have established a substantial base of evidence and strategies for the local economy. This programme of LGF investments supported objectives from local strategies and recommendations from the CPIER. These projects were aimed at supporting:

- unlocking sites for commercial and housing development
- creating and accommodating local jobs
- providing apprenticeships and new vocational training opportunities
- supporting upskilling in key sectors – food processing, manufacturing, engineering and technology
- accommodating and incubating local early stage and innovative businesses
- developing market towns – with transport and Enterprise Zone development in Ely

Table 5 (page 31) shows the extent of outcomes achieved across the programme. Although the intended aims align with overarching strategic objectives, actual performance on outcomes across the 10 projects in this evaluation shows that these aims have not been fully met.

Weaknesses in projects

Poor record of achievement on outcomes and value for money

While this evaluation assesses that on the information available, all target outputs have been delivered, only one project – the CITB Plant Simulator Centre – can be assessed as having achieved all its outcomes. Across the 10 projects, an average of 51% of target outcomes have been achieved.

This shows a gap in the rationale and design of projects and ability for the target outputs to then meet desired outcomes. At design stage of projects, the rationale should in future demonstrate a clear logic between the delivery of outputs and what is needed to ensure the outputs lead to outcomes. Project leads should demonstrate that the outputs proposed meet demand from residents and the local business community and that they will meet local needs, as well as putting in place a plan for managing facilities and securing resource that is needed to make physical outputs successful. This would help to ensure that short term outcomes provide the preconditions for longer term outcomes to be realised.

Varying levels of progress have been made on land unlocked and jobs created across projects, but an area of concern in particular is poor achievement on apprenticeship numbers and very high cost per job figures. Data available on outcome targets and expected dates is patchy across projects, so it is difficult to fully understand where further progress is expected to be achieved. However, data yet to be fully evaluated from the wider programme do point to significant improvement under the Business Board. Initial data for the wider programme (to end of FY 2019/20) suggest a cost per job of £26k and indications are that this is likely to fall further. For example, recent bids have anticipated cost per job at an average of £10k. A stark contract to the £70k per net job cost across the first 10 projects.

The permanent closure of the commercially unviable iMET raises a concern around the project appraisal process and how demand for the £10.5m facility was overestimated.

Projects had few concrete targets available

From the information available to us for this evaluation, projects had few clear, quantifiable targets. Where these were available, they were focused on outputs around construction – e.g. floorspace or length of new road – or purchase of facility equipment. Despite this focus on construction outputs, only one project has available information on the number of construction jobs created in the delivery of the project.

There was information missing on potential outcomes that are highlighted as objectives for the LEP – e.g. in GVA uplift. Considering the level of investment made in transport projects, key outcomes such as journey time changes appear not to have been captured in monitoring.

There was also limited information on timelines for outcomes to be realised. Figure 7 (page 20) reflects this, as information available is not consistent across projects.

Businesses and jobs appear to have been displaced locally

This is not necessarily net negative. The displacement of businesses within the local economy is less problematic than it appears, because the majority of business moving even locally do so to: (a) take up more suitable business premises (b) accommodate a growing workforce (c) downsize their activities/employment to make their business more sustainable. As such, new commercial development is an essential part of the modernisation process, improving the quality of commercial premises available to local companies and inward investors. This applies to both office and light industrial development, whereby companies can move from unsuitable premises and locations to more energy efficient space with appropriate levels of parking for staff and visitors.

LGF leverage varied and match was low overall

The initial LGF projects covered by this evaluation had variable rates of leverage. Unlike other funding programmes, such as European Structural Fund schemes, LGF had the facility to provide 100% of project funding. Half of the projects in this evaluation were funded without any match, and only three projects – the CITB Plant Simulator Centre, Food Processing Centre, and Cambridge Biomedical Innovation Centre – leveraged 50% or less of the project costs from LGF.

Modest investments in innovation and skills

One consequence of the weighting of investment towards transport projects, is a much more modest portfolio of skills and business and innovation related investments in the initial LGF portfolio, with a more limited contribution to taking forward LEP Strategic Economic Plan and subsequently, Local Industrial Strategies.

As highlighted in the Local Industrial Strategy, Cambridgeshire and Peterborough is in a strong position to take forward innovation and business growth in a number of key sectors, a number of which are nationally important. While many of these sectors are dominated by large and very successful companies, there is a gap in terms of support for both new starts and smaller companies which the Combined Authority could look to fill as a means of creating opportunities in the local area.

As noted earlier, LEPs were under pressure in the early years to ensure their LGF allocation was spent and this may have resulted in the prioritisation of projects which could be delivered in a short timeframe to contribute to annual spending targets rather than necessarily delivering against priority growth objectives.

Recommendations for future investments

We make a number of recommendations based on our evaluation of these early LGF projects. Clearly, not all these recommendations relate equally to all projects. The new assurance and investment processes put in place by the Business Board, together with the recent process review undertaken by CPCA have been designed to further develop a robust appraisal and evaluation processes. This will include many of the seven recommendations below, but it is still relevant and important to highlight them, to maximise learning from earlier systems and projects:

Strengthening the initial appraisal stage

The gap between 100% of outputs being delivered across the project and 51% of target outcomes being achieved indicates that at the project design and appraisal stage, there needs to be more interrogation of the rationale for a specific intervention and how it will meet a programme objective. For example, the Food Processing Centre, which achieved the lowest level of outcomes to target (18%), intended to meet an objective for upskilling and supporting a key local sector. However, what is not clear from the information available, and what would be important to include in future project appraisals, is to understand whether the intervention meets sector and learner demand in the area, and whether the delivery model will achieve the outcomes that support overarching objectives.

It is helpful here to think of interim or short-term outcomes to create the preconditions for longer term outcomes and impact. For example, an initial output for a skills capital project might be the construction of a new building. In order to grow the number of new learners using the facility, an interim outcome could be the establishment of programmes of learning, and then an initial number of recruited learners. This interim outcome, with required management resource for the facility, would help to grow longer term outcomes of a critical mass of students each year to meet the objectives of supporting upskilling local residents and/or providing new talent to a local sector.

Improving value for money on LGF investments has been a priority for CPCA, and current forecasts for the remainder of LGF projects – outside of this evaluation – reflect a focus on creating more jobs for the level of investment.

The iMet project is also a good example of where a stronger initial appraisal could have prevented future problems. The project was funded despite some serious reservations about the investment. What appears to have happened, from the evidence we are aware of, is that the project advanced through the appraisal system iteratively, with points raised being addressed by more information from the project sponsor, while never dealing with the underlying and fundamental issues about the veracity of demand assessments. This process of approval by attrition is not uncommon in less robust appraisal systems. In our experience the answer is a) for the funding and appraising body to be confident and clear in giving guidance on eligibility, suitability and priorities and (b) a strengthened outline business case stage with more authority to refuse permission to proceed to a full business case.

Improving the quality of monitoring reports

While monitoring and closure reports meet standard/minimum requirements, the nature and level of detail provided varies on a project-by-project basis and appears to have been determined by the external project lead. There does not appear to have been a central monitoring system for LGF projects which would have consistently identified output targets and outputs and outcomes achieved.

Improving the quality of closure reports

LGF requires the production of a Closure Report at the financial end of the project. This is an important document and a number provide very useful information, not only on the outcomes with regard to targets but also with regard to the delivery of the investment. Given the likelihood of lead/responsible officers to move on (and this applies to over half of the initial LGF projects) there is a need to ensure that Closure Reports provide as much detail as possible. There is currently a variable standard in Closure Reports and it is difficult to capture this information/intelligence retrospectively.

More time could be spent with project sponsors to provide further details on issues, challenges and early successes, as well as agreeing approaches to tracking any outstanding or longer-term outputs and impacts especially given the nature of LGF investment where, for example, large transport schemes which unlock development over a number of years after the scheme has completed and formally closed from a project spend perspective.

Senior Responsible Officer continuity

A number of projects no longer have a senior responsible officer within the CPCA team with detailed knowledge of the project. Clearly staff move roles and organisations over the life time of a project. For evaluation to be as effective as it could be, we recommend that the CPCA adopts a process of agreeing an SRO for all projects (past and current) it has an evaluation interest in and ensures that this is handed over if the SRO changes.

Capturing wider economic benefits

An important outcome of many transport projects are the wider economic benefits and the extent to which transport infrastructure unlocks or brings forward new residential and commercial development. A more detailed exposition of this aspect of a project at the application stage would help provide a fuller expectation of the economic benefits of transport investment. While the logic chains focus on the immediate benefits of project investment, LGF has supported infrastructure and new facilities with a longer-term lifespan and the full benefits over a 10 and 20-year period should be fully set out for each investment.

Greater challenge of costs and delivery timetables

The overspend on the Ely Bypass project demonstrates the importance of ensuring that for major capital schemes costs and delivery timetables are challenged and tested as part of the design phase, including assessing the impacts of adopting a rigid or non-negotiable delivery timetable. ERDF requires independent costs to an agreed RIBA stage to be presented as part of the application process.

Guidance on assessing demand and identifying beneficiaries, for example in relation to inward investment and knowledge intensive industries

Most of these projects lack the detail of indirect business / wider beneficiaries which are routinely collected by other funding programmes. This appears to be particularly an issue in relation to inward investment outcomes and wider business and growth outcomes in relation to knowledge intensive industries where relevant. Further guidance could help, perhaps linking to sector strategies that were developed subsequent to these projects.

Increasing emphasis on project evaluations as part of business as usual.

While the Closure Reports are useful where complete and available, many projects will only report the full economic benefits in later years. It is important that applicants do not perceive the Closure Report as the end of the monitoring and evaluation requirements. While a number of project agreements have included the production of an evaluation report (as distinct from a Closure Report). No evaluation reports are yet available and consideration needs to be given to enforcing this requirement.

But evaluation is not just about the process itself. Many apparently robust evaluation systems, including the well developed approach used for the European Regional Development Fund, do not actually tell us much about long term relationship between outputs and outcomes. A more embedded culture of evaluation, testing and monitoring, linked to the long term goals that the CA has put in place, mandated into sponsoring organisations who receive CPCA funding, would be a worth aim. The short term incentives and pressures, including from national Government, are usually on expenditure and output delivery. This is reflected in the difficulty that many project sponsors had in providing even basic information or monitoring data. Again, this is hardly a problem unique to these LGF projects.

One major step forward could be the initiation of a number of project evaluations to a set timetable, designed to input into future funding decisions.

Annex: Individual project summaries

A47/A15 Junction 20

This project improved capacity at A47/A15 Junction 20 intended to reduce congestion and increase journey time reliability for on a key route into Peterborough for commuters and visitors. Capacity improvements were delivered through the signalisation of the roundabout; increased approach and circulatory lanes; new surfacing and lining; and installation of LED street lighting.

Logic model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
A47/A15 Junction 20	Improving the traffic flow at Junction 20 and enabling the development of the North East housing sites to cater for the increase in traffic as a result of increased employment and housing growth.	£6.3m LGF grant	1km resurfaced road 1km new road Signalling and lighting infrastructure	47 jobs 2,500 housing units unlocked	Jobs created Homes unlocked Inward investment attracted in commercial and housing development

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	Achieved	%
LGF investment	£6.3m	£6.3m	**100%**
Total length of resurfaced road	1km	1km	**100%**
Total length of new road	1km	1km	**100%**
New equipment/ infrastructure	Signaling, lighting	Signaling, lighting	**100%**
Outcomes achieved and reported to date			
Jobs created	47	47	**100%**
Land unlocked (commercial sqm / housing units)	2,500 housing units	650 housing units [+490 need planning]	**26%**

Value for money assessment

The **A47/A15 Junction 20** improvement invested £6.3m of LGF capital with no match funding, delivered 1km of resurfaced, 1km of new road with widened lanes at junction approach, signaling and lighting; resulting in 47 jobs, and 650 new homes being unlocked so far. On economy, the grant value appears relatively high for the size of the road area improved; on efficiency, all outputs met targets; but on effectiveness, while some outcomes have been met, the new housing unlocked so far falls short of targets. Therefore, **this project offers medium value for money**.

Bourges Boulevard

Bourges Boulevard is a busy dual carriageway going through Peterborough City Centre and serving the railway station, as well as several business parks and development sites. The project aimed to reduce congestion and improve connectivity through a 2 phase approach combining public realm works and infrastructural upgrades. The Phase 1 works were delivered between April 2015 and July 2015, while Phase 2 was delivered between April 2015 and September 2018, with the final elements completing in March 2019.

Logic model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
Bourges Boulevard	Improving the City Centre access in and around the Railway Station to reduce congestion. Whilst enabling the development of key brownfield commercial sites identified for expansion.	£11.3m LGF grant	14.96km resurfaced road 3km new road 17.45km new cycleway Signalling and lighting infrastructure	15,422sqm offices unlocked 290 housing units unlocked 160 bed hotel unlocked 380 apprenticeships	Jobs created Homes unlocked Inward investment attracted in commercial and housing development Apprenticeships created

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£11.3m	£11.3m	**100%**
Total length of resurfaced road	14.96km	14.96km	**100%**
Total length of new road	3km	3km	**100%**
Total length of new cycleway	17.45km	17.45km	**100%**
New equipment/ infrastructure	Signaling, lighting	Signaling, lighting	**100%**
Outcomes achieved and reported to date			
Jobs created	~	455	~
Land unlocked (commercial sqm / housing units)	15,422sqm offices	9,476sqm offices	**61%**
	290 housing units	229 housing units	**79%**
	160 bed hotel by 2030	~	**0%**
Apprenticeships	380	100	**26%**

Value for money assessment

Bourges Boulevard invested £11.3m of LGF with no match funding, delivered 14.96km of new road, 3km of resurfaced road, and 17.45km of new cycleway, signaling and lighting; resulting in 455 jobs, 100 apprenticeships, and so far unlocking 9,476sqm of commercial space and 229 new homes. On economy, efficiency and effectiveness, **this project delivers medium value for money**. Relative to other transport projects in this programme – has delivered outputs for lower LGF costs, delivered all outputs to target, but has delivered an average of 42% of target outcomes.

Lancaster Way Phase 2

Lancaster Way Phase 2 – a transport project – aimed to deliver infrastructural improvements at the Lancaster Way Business Park as a means to facilitating the occupation and growth of the Cambridge Compass Enterprise Zone. The works begun in March 2016 and concluded 2 years later in March 2018.

Logic model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
Lancaster Way Phase 2	Improving employment opportunities in around Ely through enabling the development and expansion of commercial operators in the region.	£3.68m LGF loan	20 construction jobs 1 new access road Utility and communications infrastructure	480 jobs 720 apprenticeships	Jobs created Inward investment attracted in commercial and housing development

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£3.68m	£3.68m	**100%**
Construction Jobs	20	20	**100%**
Total length of new road	1 new access road	1 new access road	**100%**
New equipment/ infrastructure	Utility and comms infrastructure	Utility and comms infrastructure	**100%**
Outcomes achieved and reported to date			
Jobs created	480 by 2024	280	**58%**
Land unlocked (commercial sqm / housing units)	~	2,262sqm commercial space 6,300sqm land for commercial development	**~**
Apprenticeships	720	235	**33%**

Value for money assessment

Lancaster Way phase 2 utilised an LGF loan of £3.68m with no match funding and delivered a new access road to the Enterprise Zone, utility and communications infrastructure, creating 20 construction jobs; and resulting in 280 jobs, 235 apprenticeships, unlocking 2,262sqm of commercial space and 0.63ha of land for commercial development. On economy, the use of a loan instrument that was repaid represents good value for money; on efficiency, outputs were delivered to target; and on effectiveness, outcomes have been realised that support intended objectives, although targets on jobs and apprenticeships have not fully been met. **Overall, this investment offers medium value for money**.

Lancaster Way Phase 1

Lancaster Way Phase 1 aimed to deliver nine industrial units at the Lancaster Way Business Park to facilitate the occupation and growth of the Cambridge Compass Enterprise Zone through accommodating start-up/small businesses in response to market demand. The works begun in April 2015 and concluded 1 year later in April 2016.

Logic model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
Lancaster Way Phase 1	Improving opportunities in and around Ely, enabling development and expansion of commeecial operators in the region.	£1m LGF loan	1,251sqm new commercial space in 9 units	~	Jobs moved

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£1m	£1m	**100%**
New commercial floorspace	1,251sqm 9 units	1,251sqm 9 units	**100%**
Outcomes achieved and reported to date			
Jobs created	~	30 from elsewhere	~

Value for money assessment

Lancaster Way phase 1 utilised an LGF loan of £1m, and delivered 1,251sqm of new commercial space across 9 units on the Enterprise Zone, resulting in 30 jobs accommodated from across the local area. On economy, this fully repaid loan demonstrates cost minimisation for public funds; on efficiency, investment delivered on all target outputs; and on effectiveness, jobs were moved into the new space to support the business park on the Enterprise Zone, but there is insufficient information to understand how far outcomes achieved their targets. **Overall, this project delivers medium value for money.**

Ely Southern Bypass

The Ely Southern Bypass is a proposed 1.7km stretch of new highway infrastructure providing a Southern Link to Ely which bypasses the heavily congested section of the A142 between Angel Drove and Stuntney Causeway, thus providing a new link to the South of the City that removes the need for larger vehicles to use the railway crossing into Ely and avoid an accident-prone low bridge.

Logic model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
Ely Southern Bypass	Improving the traffic flow around Ely and reducing the accidents at the Station underpass. The project will also facilitate the progress of the Ely Masterplan which aims to increase employment and housing.	£22m LGF grant £9m Cambridgeshire County Council £5m Network Rail	1.7km of new road 1 new road bridge and walkway	2,000 housing units unlocked 70,000sqm commercial space unlocked	Jobs created Homes unlocked Inward investment attracted in commercial and housing development Apprenticeships created

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£22m	£22m	**100%**
Total length of new road	1.7km	1.7km	**100%**
New equipment/ infrastructure	1 new road bridge and walkway	1 new road bridge and walkway	**100%**
Outcomes achieved and reported to date			
Jobs created	~	250	~
Land unlocked (commercial sqm / housing units)	2,000 housing units by 2031	1,800 housing units	**90%**
	70,000sqm commercial space by 2032	~	**0%**

Value for money assessment

Ely Southern Bypass invested £22m of LGF alongside £9m from Cambridgeshire County Council and £5m from Network Rail. Investment delivered 1.7km of new road with a road bridge and walkway; and has so far resulted in 250 jobs and 1,800 new homes unlocked. On economy and efficiency, this is the only transport project that secured match funding and so utilised local and national funding sources to keep the LGF ask down, however the total project sum of £36m for a strategically significant but relatively short length of new road and infrastructure is high compared with other transport projects in this programme. On effectiveness, although the project supports objectives and the number of houses unlocked is almost to target, new commercial space has not been realised. **Overall, this project therefore offers medium value for money.**

CITB Plant Simulator

The CITB Plant Simulator converted the existing CITB/National Training College facilities to deliver a customised facility at Bircham Newton which housed 12 newly purchased simulators and thereby recreated the operating controls and the operating environment of heavy plant equipment. The project was delivered as a response to falling construction starts as a result of decreasing training provision within the Greater Cambridgeshire and Peterborough area, highlighted in a report commissioned by the Cambridgeshire and Peterborough Combined Authority (CPCA). The project was delivered by the CITB between October 2016 and December 2017, with a funding agreement secured in January 2017.

Logic model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
CITB Plant Simulator Centre	Increasing the number of learners and the practical time available for learners at the training institute, enhancing training for apprentices, providing hands on experience, and attracting new learners to the construction industry.	£0.45m LGF grant £1m CITB co-investment	195sqm new learning space 12 plant simulators	2 jobs 511 new learners	Jobs created Homes unlocked Inward investment attracted in commercial and housing development Apprenticeships created

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£0.45m	£0.45m	**100%**
New or improved learning floorspace	195sqm	195sqm	**100%**
New equipment/ infrastructure	12 plant simulators	12 plant simulators	**100%**
Outcomes achieved and reported to date			
Jobs created	2	2	**100%**
New learners	511	511	**100%**
Apprenticeships	~	190	~

Value for money assessment

The **CITB Plant Simulator Centre** invested £0.45m of LGF with co-investment of £1m from CITB. The project delivered 195sqm of learner space with 12 plant simulators; and resulted in 2 jobs, 511 learners and 190 apprenticeships. On economy, the LGF sum was low, and CITB investment more than double the LGF grant; on efficiency, although a relatively modest-sized facility, investment delivered on target outputs; and on effectiveness, the project has realised target job and learner numbers, and is supporting strategic objectives with upskilling in a key local sector. **Overall, this project therefore offers very good value for money**.

iMET

The development of a new state-of-the-art vocational training facility to support growth and economic development in Innovation, Manufacturing, Engineering and Technology sectors. The project begun in March 2015 and completed in March 2018.

Logic model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
iMET	Improving employability of people living in the region.	£10.5m LGF grant	2,380sqm new learning space Mechanical, engineering and IT equipment	15 jobs 160 new learners 250 apprenticeships	Jobs created Upskilling opportunities in, manufacturing, engineering and technology Vocational training and apprenticeships provided

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£10.5m	£10.5m	**100%**
New or improved learning floorspace	2380sqm	2380sqm	**100%**
New equipment/ infrastructure	Mechanical engineering, IT equipment	Mechanical engineering, IT equipment	**100%**
Outcomes achieved and reported to date			
Jobs created	15 by 2022	7	**47%**
New learners	160	~	**0%**
Apprenticeships	250 by 2021/22	48	**19%**
Other outcomes		Permanently closed – commercially unviable	

Value for money assessment

The **iMET** invested £10.5m of LGF with no match funding, delivered 2,380sqm of learning space with supporting mechanical, engineering and IT equipment. Investment initially created 7 jobs and 48 apprenticeships, however, demand was found to be lower than expected, and the facility was deemed commercially unviable, and permanently closed. The relatively high LGF grant awarded with no co-investment, and relatively large facility built, without sufficiently robust understanding of local demand, means that **on economy, efficiency and effectiveness, this investment represents very poor value for money**.

Food Processing Centre

The development of a dedicated food processing and manufacturing education and training Centre of Excellence at Peterborough Regional College to support the labour supply of the local food manufacturing and processing industries. LGF funding supported the provision of equipment to replicate industry working conditions and provide training on industry standard equipment, enabling apprentices to be trained on up to date industry equipment. The project begun in April 2015 and completed in March 2017.

Logic model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
Food Processing Centre	Creating a practical learning environment replicating industry standards and practice to prepare young people for the working environment within a typical food production factory.	£0.586m LGF grant £0.586m Peterborough Regional College co-investment	420sqm new learning space Food production equipment	372 new learners 327 apprenticeships	Jobs created Upskilling opportunities in, manufacturing, engineering and technology Vocational training and apprenticeships provided

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£0.586m	£0.586m	**100%**
New or improved learning floorspace	420sqm	420sqm	**100%**
New equipment/ infrastructure	Food production equipment	Food production equipment	**100%**
Outcomes achieved and reported to date			
New learners	372	100	**27%**
Apprenticeships	327 by 2022	32	**10%**
Businesses supported		10	~

Value for money assessment

	The **Food Processing Centre** invested £0.586m of LGF grant matched by £0.586m from Peterborough Regional College. The project delivered 420sqm of learning space and food processing equipment, and resulted in 100 new learners and 32 apprenticeships, supporting 10 employers. On economy and efficiency, the LGF grant was relatively low and matched by the College, and outputs were delivered to target. However, on effectiveness, although the facility supports a key local sector, targets for new learners and apprenticeships have not been achieved, with the project only meeting an average of 18% of target outcomes. **Overall, this project represents poor value for money.**

The Welding Institute

The refurbishing of an existing building at TWI, Grenta Park and the purchase and installation of specialist fabrication and testing equipment to establish a new world class facility for fabrication and testing of large-scale engineering structures. The project begun in April 2015 and completed a year later in April 2016.

Logic Model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
The Welding Institute	Improving opportunities for development of research programmes and to facilitate the development and expansion of innovation across the region.	£2.1m LGF grant £0.75m TWI co-investment	858sqm new learning space 2,480sqm commercial space 1 operative pressure pit and lab equipment	80 jobs 4 apprenticeships	Jobs created Inward investment attracted from early stage businesses Apprenticeships created

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£2.1m	£2.1m	**100%**
New or improved learning floorspace	858sqm	858sqm	**100%**
Refurbished commercial floorspace	2,480sqm	2,480sqm	**100&**
New equipment/ infrastructure	1 operative pressure pit, lab equipment	1 operative pressure pit, lab equipment	**100%**
Outcomes achieved and reported to date			
Jobs created	80	82 new/safeguarded	**103%**
Apprenticeships	4	~	**0%**
Businesses supported	~	15	**~**

Value for money assessment

The Welding Institute invested £2.1m of LGF grant with co-investment of £0.75m from TWI. The project delivered 858sqm of learning space with an operative pressure pit and lab equipment, and 2,480sqm of refurbished commercial space. This has achieved 82 new and safeguarded jobs and supports 15 SMEs. On economy, the LGF grant was supported by co-investment; on efficiency, all outputs were delivered to target; and on effectiveness, dedicated learning and commercial space was created supporting a key sector and exceeding the target on jobs, however, none of the four targeted apprenticeships have not been created. **Overall, this investment offers medium value for money.**

Cambridge Biomedical Innovation Centre

The conversion of part of an empty building on the Cambridge Biomedical Campus to create a multi-occupier Innovation Centre to meet demand for accommodation on the campus by local, national and international companies. The development started in April 2015 and completed in March 2018.

Logic Model

Project	Rationale	Inputs	Target Outputs	Target Outcomes	Impact
Cambridge Biomedical Innovation Centre	Creating a multi-occupier Innovation Centre to meet demand for accommodation on the campus by local, national and international startup and early stage companies.	£1m LGF grant £3.064m University of Cambridge co-investment	2,780sqm new commercial space 6 startup spaces	243 jobs 80 apprenticeships	Jobs created Inward investment attracted from early stage businesses Apprenticeships created

Outputs and outcomes achieved

Outputs delivered and reported to date			
	Target	**Achieved**	**%**
LGF investment	£1m	£1m	**100%**
New commercial floorspace	2,780sqm 6 startup spaces	2,780sqm 6 startup spaces	**100%**
Outcomes achieved and reported to date			
Jobs created	243	80	**33%**
New learners	160	~	**0%**
Apprenticeships	80	30	**38%**
Businesses supported	~	45 member businesses	~
Other outcomes	~	Temporarily closed – Covid-19 restrictions	

Value for money assessment

	Cambridge Biomedical Innovation Centre invested £1m of LGF with co-investment of £3.064m from the University of Cambridge. The project delivered 2,780sqm of new commercial space for early-stage innovative businesses with 6 dedicated startup spaces. The space supported 45 member businesses, creating 80 jobs and 30 apprenticeships. On economy, the LGF grant was matched by more than three times by the University, delivering a large dedicated commercial space, on efficiency, the project met its outputs targets; however on effectiveness, the facility has so far fallen far short on jobs targets (achieving 80 against a target of 243) and apprenticeships (30 against a target of 80), and the facility is currently closed due to Covid-19 restrictions. **Overall, this investment represents medium value for money.**

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