

17 June 2019



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Dear [REDACTED]

FOI CA64 - THE EASTERN AGRI-TECH GROWTH INITIATIVE: GRANT SPENDING

Thank you for your emails dated 12 and 13 June 2019 with follow-up questions regarding grant payments made under the Eastern Agri-Tech Growth Initiative. The reference regarding this request is CA64.

Email 12 June

Follow-Up Question 1:

In your answer to question 1 you lay out the follow up steps you take regarding grant funding. Did these steps only come in when the CA took control of the Agri-Tech Board or did they also exist beforehand?

Response to Follow-Up Question 1:

These procedures were in place before the Cambridgeshire and Peterborough Combined Authority (CPCA) took over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership. These were reviewed following the transfer of the former LEP's business to the CPCA.

Follow-Up Question 2:

On question 2, regarding Hirst Farms Ltd, you state this was to explore the feasibility of growing blueberries. Was this successful?

Response to Follow-Up Question 2:

Yes. A consortia of growers, which includes Hirst Farms, has several hectares planted and plan several more this autumn and hopefully even more next year. There is the prospect of having some blueberries off the trial plot this summer; which look very promising given the challenges of establishing a new commercially viable crop.

Follow-Up Question 3:

As none have been grown I have to assume that it turned out it was not feasible and I understand some of the money was spent on flights to the US. Why does the Board believe this was a sensible use of public money?

Response to Follow-Up Question 3:

Please see response to follow-up question 2. The initial feasibility project did include a short study visit to the USA to visit blueberry growers to find out more about growing blueberries and what conditions were needed to grow them. This visit was an essential part of the overall project.

Follow-Up Question 4:

Several projects given money have failed and the companies given that funding have shut. Obviously there are also going to be some failures when backing nascent projects but what steps does/did the board take to lower the risk of backing duds?

Response to Follow-Up Question 4:

First of all, a thorough, independent appraisal is carried out in each application received. When an eligible application is considered by the Agri-Tech Programme Board, the Board must be satisfied that the applicant business is financially sound; there is a robust and credible business plan and project plan in place; the applicant has identified the key risks and explained what the mitigating steps would be. The Programme Board also considers what experience and expertise the applicant's management team has to enable the applicant to deliver the proposed project. Finally, the applicant must make a compelling case for grant funding and explain what the impact would be on both the business and the sector if funding is or is not approved. The Agri-Tech Programme Board is very aware of its responsibility to take account of value for money.

For research and development projects, these can carry a degree of technical and associated financial risk. The aim of our R&D Fund is to give businesses the confidence and opportunity to try something new in terms of technology, processes/systems/products by sharing the financial risk. Without the support of the Eastern Agri-Tech Growth Initiative many of these businesses would be unable to attract the support from traditional lenders where the outcome was uncertain and therefore many of the ideas would not get off the ground.

Follow-Up Question 5:

On question 3 you set out how conflicts of interest are managed on the board and the new Terms of Reference, with one of the changes being that board members have to complete a register of interest, how were conflicts of interest managed before the CA took over and why did they not have to complete registers of interests before the CA took over?

Response to Follow-Up Question 5:

Any conflicts of interest prior to the CPCA's involvement were managed in exactly the same way as set out in our response to your original question 3. The completion of a register of interest and code of conduct form was not a previous requirement for the Agri-Tech Programme Board members. The CPCA believes that the completion of the register of interest and code of conduct forms provides extra assurance and strengthens the governance arrangements for the Agri-Tech Programme Board by ensuring it is fully compliant with the CPCA's Assurance Framework.

Follow-Up Question 6:

On question 5, has an NIAB application for funding to the board ever been rejected?

Response to Follow-Up Question 6:

Yes there has been one unsuccessful application from NIAB.

Follow-Up Question 7:

On question 7, what were these key changes made in response to? i.e. why did the new Board feel they were needed?

Response to Follow-Up Question 7:

Quite simply the changes would bring the governance arrangements for the Agri-Tech Programme Board in line with those of both the CPCA Board and The Business Board.

Follow-Up Question 8:

Finally an analysis of your spending shows the vast majority of funding you have given out has gone to Cambridgeshire and the King's Lynn area, with Suffolk and the rest of Norfolk getting very little money. Why is this? How will you ensure a better spread of funding in the future?

Response to Follow-Up Question 8:

The Eastern Agri-Tech Growth Initiative is promoted fairly across the geographical areas of the CPCA/Business Board and New Anglia LEP areas. It is not a commissioned-led scheme and therefore is reliant on applications coming forward from eligible businesses/their advisors across the sector at a time that best suits the operational needs of the business. The scheme will continue to be promoted across the geographical areas of the CPCA/The Buisness Board and New Anglia LEP.

All applications are handled/appraised in an even-handed way and judged on their individual merits irrespective of where the application comes from. There is absolutely no bias toward a particular area.

Emails 13 June

Follow-Up Question 9

The initiative was meant to create 365 new jobs in two years from 2014, according to the document attached. How many has it created?

Follow-Up Response to Question 9

634 jobs (covering new and protected jobs) have so far been linked to the Eastern Agri-Tech Growth Initiative. This has been verified and confirmed by Government following its monitoring of the Eastern Agri-Tech Growth Initiative.

Follow-Up Question 10

On the project matched funding costs, I've also just been told that the funding criteria, which states applicants have to provide 75% of project costs can be met with a time claim instead of money, so for example the applicant can say my labour is worth this amount of money, which equates to 75% of the project cost.

“Applicants must be able to clearly demonstrate that they are able to provide the remaining 75% of the project costs from other sources of private sector investment, such as the company’s own resources, commercial loans or other types of investment. Applications can only be made if the applicant is either already in discussions with financial providers or has the minimum 75% of match funding available. No application can be approved until all the required match funding has been secured.”

Response to Follow-Up Question 10

The extract quoted from the Guidance Notes for applicants is correct in its applicability to applicants seeking support from the Growth Fund.

For applications seeking grant funding from the Growth Fund, applicants must contribute 75% of the total project costs. The level of grant available is up to 25% of total project costs with a minimum grant of £10k and a maximum grant of £150k.

For R&D projects, applicants must contribute 50% of the total project costs. The level of grant available is up to 50% of total project costs with a minimum grant of £10k and a maximum grant of £60k.

For both funds, match funding usually involves either or a combination of a commercial loan; Director's loan or some other form of investment such as venture capital/business angel support. In some circumstances, mainly for R&D projects, in-kind support is permitted but it cannot form the entirety of the match funding contribution.

I hope this information is helpful but if you are unhappy with the service you have received in relation to your request and wish to make a complaint or request a review, you should write to us via our contact us email address – contactus@cambridgeshirepeterborough-ca.gov.uk or write a letter to Complaints, Cambridgeshire and Peterborough Combined Authority, Incubator 2, Alconbury Weald Enterprise Campus, Huntingdon, PE28 4WX within 40 days of the date of this e-mail.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, or via their website: <https://ico.org.uk/>

Generally, the ICO will not undertake a review or make a decision on a request until the internal review process has been completed.

Yours sincerely



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The Cambridgeshire and Peterborough Combined Authority can be contacted via The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX. This email and any attachments are intended solely for the use of the addressee only, and is considered confidential. Any views or opinions expressed are solely those of the author and do not necessarily represent those of The Cambridgeshire and Peterborough Combined Authority or The Business Board. If you are not the intended recipient of this email, you must neither take any action based upon its contents, nor copy or show it to anyone with prior permission from the creator. Please contact the sender if you believe you have received this email in error.