

BUSINESS BOARD	AGENDA ITEM No: 3.3
27 JULY 2020	PUBLIC REPORT

MARKET TOWNS PROGRAMME UPDATE

1.0 PURPOSE

- 1.1. The Combined Authority is committed to the future prosperity and success of every market town in the county and is investing in making this a reality through working closely with Town Councils, District Councils and local partners across Huntingdonshire, Fenland and East Cambridgeshire to deliver 11 key market town masterplans. The Market Towns Programme was piloted in St Neots as part of the Mayor's 100 Day Plan.
- 1.2. The Market Towns Programme endorses Mayor Palmer's target for the region, to double its gross value added (GVA) over the next twenty years. For this to be achieved, the areas market towns will be required to 'do their bit' to improve the three economies. The interventions hereby enshrine the importance of inclusive growth, in line with the Cambridgeshire and Peterborough Independent Economic Review (CPIER) recommendations.
- 1.3. With the aim of bringing jobs, infrastructure and growth, the masterplans would enable each town to become and remain "vibrant and thriving places" whilst helping to boost the local and regional economy. A commitment of £50k revenue support was made by the Combined Authority to produce a Masterplan for key market towns, based on new research and analysis required to deliver the bold growth ambitions.
- 1.4. Masterplans for Fenland (March, Wisbech, Chatteris & Whittlesey) and Huntingdonshire (St Neots, St Ives, Huntingdon & Ramsey) market towns have been completed and were approved by the Combined Authority Board on 29 January 2020 and by the Mayor in consultation with the Combined Authority Board on 25 March 2020. The final reports for East Cambridgeshire (Ely, Soham & Littleport) are going to Combined Authority Board for approval on 5 August 2020.
- 1.5. This paper provides the background and strategic context to the Combined Authority Market Towns Programme and an update on the recent launch of the Investment Prospectus.

- 1.6. The Market Town Programme Investment Prospectus invites proposals from each local authority lead to support the delivery and implementation of priorities from each town Masterplan.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Chairman of the Business Board
Lead Officer:	John Hill, Director: Business and Skills
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Business Board is recommended to:</p> <p style="padding-left: 40px;">Note the progress being made with the Cambridgeshire and Peterborough Combined Authority's Market Towns Programme and the update on the recently launched Investment Prospectus in support of Masterplan delivery.</p>	

2.0 BACKGROUND

- 2.1. The devolution deal which created the Combined Authority recognises the important role of market town economies in growing the wider Cambridgeshire and Peterborough economy.
- 2.2. A masterplan for each of the 11 market towns (St Neots being the pilot town) across the region provides the opportunity to look at the unique features of each town and offers deliverables which will benefit the immediate and wider economy.
- 2.3. The Combined Authority is providing capital investment to mobilise each town masterplan and to act as a funding catalyst to securing additional investment.
- 2.4. There is a total of £10m Combined Authority capital allocated to support the delivery and implementation of the other 10 approved Market Town Masterplans.
- 2.5. Following this process, the Combined Authority retains a strategic partner role, ensuring that county-wide decisions meet the needs of each town masterplan, and lobbying Government for further resource to deliver high-growth towns (and to promote the concept of place-based interlinked growth strategies).
- 2.6. This focus on market towns has been heralded by Government, by the Cambridgeshire and Peterborough Independent Economic Commission, and by other partners as a bold and progressive step towards inclusive growth.

3.0 THE STRATEGIC CONTEXT

- 3.1. A third of our population lives in market towns, with nearly as many again living in surrounding areas. Although links with our core cities are vital, investment and attention has often favoured cities and forgotten the role that market towns play for our region.
- 3.2. Alongside this under-investment towns are facing many external pressures like the declining town centres and high streets, an ageing population, and a reduction of in-town job opportunities leading to more outward commuting.
- 3.3. The Combined Authority is committed to the future prosperity and success of every market town in the county and is investing in making this a reality by supporting market towns as economic and social hubs. This approach gives each town its own starting point, and the evidence base in order to tailor and customise interventions to meet the distinctive needs of each local economy.
- 3.4. There is no one-size-fits-all solution and the Combined Authority has provided investment that adds value by helping towns clarify and reassess their priorities for future growth. In this way the identity and role of each town will be brought to prominence and enable each town to grow their economies and contribute to the overall doubling of our GVA over the next 25 years.

4.0 THE MARKET TOWNS PROGRAMME INVESTMENT PROSPECTUS

- 4.1. A copy of the Investment Prospectus is included as **Appendix 1**.
- 4.2. The prospectus outlines the process that allocates funding and manages the process post allocation. A transparent and consistent approach has been established to oversee delivery of the Market Towns Programme. All funding applications will be assessed in accordance with specific call specifications & criteria (including match funding and value for money), set against delivery and implementation of each CPCA approved Masterplan.
- 4.3. Combined Authority funding is subject to a call process and made available for bidding from July 2020 onwards. In order to secure capital funds, local authority leads have been invited to submit bids against the Investment prospectus.
- 4.4. All funding applications will be assessed in accordance with specific call specifications & criteria (including match funding and value for money), set against delivery and implementation of approved Masterplan priorities and actions, and interventions to support Covid-19 economic recovery.
- 4.5. Combined Authority funding will be provisionally shared across the remaining 10 market towns, with applicants able to bid for up to £1m of capital funding for each town.
- 4.6. Consideration will be given to a variety of funding proposals and applicants will have the opportunity to bid for one or few investments or may want to fund several smaller scale interventions.

- 4.7. St Neots Masterplan – on 29 April 2020, a paper was taken to CA Board to, summarise work to date on the St Neots Foot and Cycle Bridge and Regatta Meadows, confirm that the projected construction costs for the project now exceed the allocated budget and seek the agreement of the Combined Authority Board that the scheme should not proceed as it no longer meets the requirements for Value for Money set out in the Combined Authority's Assurance Framework. The CA Board agreed that the £3.1m CPCA funding allocated to the project be re-allocated to projects to support delivery of the St Neots Masterplan, and to recycle the market town investment back into St Neots through the Investment Prospectus.
- 4.8. This makes the total Combined Authority investment being pledged to support delivery of market town Masterplans is **£13.1m** across the 11 market towns.

PROGRAMME CRITERIA

- 4.9. The following additional Combined Authority funding criteria are proposed:
- Market Town funds are allocated for East Cambridgeshire, Fenland, and Huntingdonshire.
 - Funding must be spent at the latest by 31 March 2022, or earlier as specified within the funding agreement. Deliverability of projects will be an important factor in appraising proposals.
 - Proposals are invited to support the mobilisation of each Masterplan and against activities which address the needs and those interventions identified as required to drive targeted growth and regeneration of each town.
 - Proposals are required to set out how they can support the tailoring of local economic policy for each market town to increase the attractiveness of towns for the new generation of lifestyle entrepreneurs.
 - Given the transformative aims of the Programme, the CPCA is especially keen to see movement on the more ambitious projects set out in the Masterplans and prospectuses for growth and will prioritise these. Whilst there will be opportunities for longer term projects, applications will have more chance of approval if they can also demonstrate fast impact, especially to support COVID economic recovery over the next 9 months to the new financial year when unemployment impacts of COVID are expected to peak. Applicants are encouraged to explicitly set out how project proposals respond to the challenge of a post Covid-19 economy and how they help reshape and transform the high street and towns, so they are fit for the future.

APPLICATION PROCESS, DUE DILIGENCE AND APPRAISAL

- 4.10. The Combined Authority Assurance Framework sets out how investment decisions are made for funds in a transparent and accountable way in accordance with Government guidance. The Investment Prospectus follows these monitoring & evaluation principles.

- 4.11. Due diligence and appraisal will be initially managed by the Combined Authority, where the strategic need, economic and commercial case for the projects will be examined based on proposed interventions for each town. All proposals will be assessed against an agreed set of appraisal metrics, and independent appraisals will be commissioned if needed for complex projects.
- 4.12. Appraised applications will be scored based of the programme criteria. This approach will help manage any oversubscription of programme funds.
- 4.13. Evaluated proposals will undergo further scrutiny and review by EAP and Business Board members to ensure interventions hereby enshrine the importance of inclusive economic growth, and in line with CPIER and LIS recommendations.
- 4.14. Recommendations will go to Combined Authority Board for approval on August 2020, 30 September 2020, and 25 November 2020 for approval.

5.0 FINANCIAL IMPLICATIONS

- 5.1. The funding for this programme is from the Combined Authority's capital resources, totalling £13.1m. There is no draw from Business Board resources e.g. Local Growth Funding or Recycled Growth Funds.

6.0 LEGAL IMPLICATIONS

- 6.1. The Combined Authority, as the Accountable Body, maintains the legal agreements with project delivery bodies. The Legal Team shall be responsible for placing any required contractual arrangements, usually through its current partnering arrangements with the Local Authorities

7.0 SIGNIFICANT IMPLICATIONS

- 7.1. The Market Towns Programme is a substantial commitment being made between the Combined Authority and the local areas, with scope for significant impacts on the growth of the local sub-economies. Successful delivery will have positive benefits to residents, businesses and workers within the CPCA area.

8.0 APPENDICES

8.1. Appendix 1 – Market Towns Programme Investment Prospectus

<u>Source Documents</u>	<u>Location</u>
Cambridgeshire and Peterborough Independent Economic Review	http://www.cpier.org.uk/interim-report/
Cambridgeshire & Peterborough Local Industrial Strategy	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818886/Cambridge_SINGLE_PAGE.pdf
CPCA Assurance Framework	https://cambridgeshirepeterborough-ca.gov.uk/assets/Assurance-Framework-Publication-Nov-2019.pdf