



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.10

Market Towns Programme Financial Update September 2022

- To: Cambridgeshire and Peterborough Combined Authority Board
- Meeting Date: 19 October 2022
- Public report: Yes
- Lead Member: Mayor Dr Nik Johnson
- From: Domenico Cirillo, Business Programmes and Business Board Manager
- Key Decision: Yes
- Forward Plan ref: KD2022/043
- Recommendations: The Cambridgeshire and Peterborough Combined Authority Board is recommended to:
- a) Note the latest financial position for the Market Towns Programme.
 - b) Approve revised project delivery profiles and extended completion forecasts as set out within the latest Market Towns Programme Delivery Tracker.
 - c) Approve the reallocation of £455,000 from the cancelled Whittlesey Heritage Centre project to fund improvements to community assets in the town.
 - d) Approve the reallocation of any underspend from 'closed or completed' projects to cover the funding gap for the Chatteris Museum & Community Centre project, and any other 'in delivery' projects requiring additional funds within the Market Towns Programme portfolio.
- Voting Arrangements: A simple majority of all Members
- To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor

1. Purpose

- 1.1 To update the Cambridgeshire and Peterborough Combined Authority Board (CPCA Board) on the latest financial position and progress being made in delivery of the Market Towns Programme as of August 2022.
- 1.2 To seek CPCA Board approval of revised project expenditure profiles and project completion forecasts, and the reallocation of underspend from 'closed or completed' projects within the Market Towns Programme portfolio.

2. Background

- 2.1 The CPCA is committed to helping its region's market town to thrive and is investing to ensure towns remain vibrant and thriving places. This commitment included the production of a Masterplan for each of the key market towns (based on new research and analysis required to deliver bold growth ambitions) and identified interventions that enshrined the importance of inclusive growth.
- 2.2 In July 2021, CPCA funding of £13.1m was allocated across the market towns, with district authority leads able to bid for capital funds for each town. Proposals were invited to support the mobilisation of each Masterplan and against activities which addressed the needs and those interventions required to drive targeted growth and sustained regeneration for each town, especially in a post Covid-19 economy.
- 2.3 To date, there have been eight funding calls under the Programme resulting in 47 projects approved by the CPCA Board, awarding a total of £11,297,850 in grant funding (and bringing in over £12m of match investment).
- 2.4 Table 1 below sets out the current total CPCA funding defrayed; to date, a total of £2,620,901 (23% of the total budget) has been paid under the Programme:

Town	Actuals 2021-22	Actuals 2022-23 (as of Aug 2022)	Claims Received (August 2022)
St Neots			
St Ives	£186,935	£86,000	
Huntingdon	£186,935	£86,000	
Ramsey			£190,000
March	£32,240		
Wisbech	£253,300	£178,000	£147,500
Whittlesey	£85,900	£113,159	
Chatteris	£404,334	£122,000	
Ely	£265,187		£16,367
Soham	£106,190	£5,000	£155,854
Littleport			
	£1,521,021	£590,159	£509,721

2.5 There is remaining budget for East Cambridgeshire (£1m for Littleport) and Huntingdonshire (£802,150 for Huntingdon and St Ives) to support project proposals expected by March 2023 for CPCA Board approval.

3. Project Delivery Update

3.1 Unfortunately, post Covid issues around contractors and increased material costs have impacted on project delivery across the Programme. This has been further exacerbated by the recent ‘cost of living’ crisis affecting the cost of goods and services.

3.2 Project leads are having to deal with increased lead-times and costs for materials and labour. Most projects have been able to minimise this impact through extending delivery and completion dates. CPCA officers have been working closely with each project lead to discuss and update delivery and expenditure profiles and forecast completion dates.

3.3 The Programme Delivery Tracker, which monitors delivery performance and sets out the status for each project, is attached as Appendix 1. The CPCA Board is asked to approve the updated position and the revised forecast project completion dates. The Tracker confirms that 25 projects are now complete or nearing completion (53%), and 22 projects are ‘in delivery’ – 10 of which will be completed before March 2023 and 12 before March 2024.

3.4 Table 2 below sets out the revised Programme expenditure forecasts by town:

Town	Forecast 2022-23 (Sept-March 2023)	Forecast 2023-24
St Neots	£930,000	£2,170,000
St Ives	£325,990	£401,075
Huntingdon	£325,990	£401,075
Ramsey	£210,000	£600,000
March	£867,760	£100,000
Wisbech	£321,200	£100,000
Whittlesey	£218,169	£582,772
Chatteris	£373,666	£100,000
Ely	£718,446	
Soham	£282,956	£450,000
Littleport		£1,000,000
	£4,574,177	£5,904,922

3.5 As a result of the current economic conditions affecting the construction market, alongside the abnormal UK inflation, build projects have been particularly impacted due to these unforeseen issues encountered during the build.

3.6 Two key construction projects (Whittlesey Heritage Centre and Chatteris Museum & Community Space) have reported significant issues impacting delivery.

4. Proposed Reallocation of Programme Funding

- 4.1 **Whittlesey Heritage Centre (project 6)** – the project team has considered the location and the gap in funding, alongside market conditions and believe that continuing with the project at this time is unlikely to produce a facility in a timely, affordable manner. The project will not give good value for money to the taxpayer and work on the heritage centre has been suspended. As the heritage centre either in its original form and location, or in a reduced form and different location has now been halted, local elected Members have discussed other options for the remaining funding to improve community assets within Whittlesey.
- 4.2 Fenland District Council has requested that the remaining project grant allocation be retained and reinvested to fund improvements to the following community assets in the town for residents:
- Community basketball / tennis / netball facilities; lighting upgrade and secure fencing (£45,000)
 - Energy efficiency improvements added to the existing solar provision on the swimming pool building (£110,000)
 - Community 5-a-side synthetic pitch; fencing and carpet replacement (£145,000)
 - Together with the County Council Youth and Community Team, provide a youth facility attached to the Manor Leisure Centre, to match Youth Investment Fund (YIF) grant funding (£125,000)
 - Development of cricket facilities at the Manor open space, including practice nets and improvements to the existing football pavilion for it to be used for cricket (£30,000).
- 4.3 Delivery timeframe - these projects, except for the shared YIF funded youth facility, are deliverable in the short term (during 2022/23). The expectation is that the youth facility, if successful with a YIF grant, would be delivered by March 2024.
- 4.4 The Board is asked to approve the reallocation of £455,000 of the remaining grant and from the cancelled Whittlesey Heritage Centre project.
- 4.5 **Chatteris Museum & Community Centre (project 41)** - due to the impact of Covid-19 on the costs of materials and labour, Chatteris Town Council has reported that there is likely to be a significant shortfall in the amount of funding currently available to deliver the entire project as envisaged at the time when the project specification was originally approved.
- 4.6 Chatteris Town Council will explore making amendments to value engineer the existing project specification, but the likely funding gap is estimated at around £300,000. Central to the project has been the purchase of the former Barclays Bank building which has been achieved. Listed building planning consent is awaiting approval and building contractors have been appointed in readiness to start work on the museum from September 2022 and forecast to finish in February 2023. The museum's grand opening is planned for September 2023. Residential flats are forecast to be available for rental at town council offices in January 2024.
- 4.7 CPCA officers have committed to explore what funding options might be available to bridge the gap in funding and to enable the project to continue as planned, especially given the investment already made to date.

- 4.8 The Board is asked to approve the reallocation of any underspend from 'closed or completed' projects to cover the funding gap for the Chatteris Museum & Community Centre project, and any other 'in delivery' projects requiring additional funding within the Market Towns Programme portfolio.

Significant Implications

5. Financial Implications

- 5.1 Updated expenditure profiles are within approved budgets and March 2024 spend deadline.

6. Legal Implications

- 6.1 The Combined Authority maintains the legal agreements with each project delivery body and regularly monitors delivery and performance.
- 6.2 This report, including the detail set out in the appendix, will assist the board to monitor the financial position of projects, with a view to meeting the Authority's legal obligation to deliver a balanced budget. The decision sought to the financial adjustment does not raise any specific legal implications.

7. Environmental & Health Implications

- 7.1 No implications.

8. Other Significant Implications

- 8.1 No other significant implications.

9. Appendices

- 9.1 Appendix 1: Market Towns Programme - Delivery Tracker (Aug 2022)

10. Background Papers

- 10.1 None.