



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.4

Market Towns Programme - Approval of Change Requests for Huntingdonshire and East Cambridgeshire to Extend Funding Expenditure Timelines

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 28 July 2021

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: John T Hill, Director for Business & Skills

Key Decision: Yes

Forward Plan ref: KD2020/017

Recommendations: The Combined Authority Board is recommended to:

- (a) approve the request received from Huntingdonshire District Council to extend the funding timeline, on their Market Towns budget allocation of £3,100,000 from March 2022 to March 2024.
- (b) approve the request received from Huntingdonshire District Council to extend the funding timeline and spend profile on their remaining budget allocation of £609,655 to March 2023 for St Neots Masterplan (Phase 1).
- (c) approve the request received from East Cambridgeshire District Council to extend the funding timeline, on their remaining Market Towns budget allocation of £2,144,000 from March 2022 to March 2023 for the towns of Ely, Soham and Littleport.

Voting arrangements: A simple majority of all Members present and voting

1. Purpose

- 1.1 To seek Combined Authority Board approval of change requests received from Huntingdonshire District Council and East Cambridgeshire District Council to extend project funding timelines under the Market Towns Programme.
- 1.2 To seek Combined Authority Board approval of change request received from Huntingdonshire District Council to extend the funding timeline and spend profile on remaining budget for St Neots Masterplan (Phase 1).

2. Background

- 2.1 On 27th June 2018, the Combined Authority Board approved £4.1m of direct investment into St Neots to support Phase 1 of the St Neots Masterplan for Growth and to work towards the future success of the town (see background paper 9.1). This £4.1m funding package included £1m investment for the following elements under Phase 1 of St Neots Masterplan:
 - £259k contribution from the CA to the £310k project to create an enhanced events programme that will be the springboard to creating a Business Improvement District (BID) for St Neots, in turn will place future town events on a sustainable financial footing;
 - £30k to work with Connecting Cambridgeshire to establish St Neots as the first Smart Town in the country, and understand what further investment is necessary;
 - £175k to undertake a comprehensive transport study to solve the issue of traffic flow in St Neots town centre, in alignment with upcoming major schemes like the East-West Rail and any successor scheme to the Cambridge Autonomous Metro, which is currently under review;
 - £40k, alongside £10k from the Town Council to improve street furniture in St Neots town centre so that makes it more attractive and easier for people to travel to the centre;
 - £12k to undertake a business demand survey to understand in more granular detail the future growth needs of St Neots businesses, to be able to respond to these in the next phase;
 - £471k towards the programme management of the ongoing delivery of the St Neots Masterplan as well as the other Masterplans that will be coming onboard within the District from this year onwards.
- 2.2 On 31st July 2019, the Combined Authority Board approved the reprofiling this £1m expenditure in the Medium-Term Financial Plan (MTFP) to match the updated forecasts from the delivery partners as follows (see background papers 9.2):

Project Element	Expenditure Budget (£000)				Lead Organisation
	19/20	20/21	21/22	Total	
Capital					
Traffic Management Study	175			175	Cambridgeshire County Council

Street Furniture	40			40	St Neots Town Council
Programme Management of Capital workstreams	112	126	127	365	Huntingdonshire District Council
Sub-total	327	126	127	580	
Revenue					
Smart St Neots	30			30	Connecting Cambridgeshire
Enhanced Marketing (BID)	98	129	45	272	Huntingdonshire District Council
Business Survey	12			12	St Neots Town Council
Programme Management of Revenue workstreams	31	38	37	106	Huntingdonshire District Council
Sub-total	171	167	82	420	
Total CPCA funded expenditure	1,098	2,793	209	4,100	

2.2 The latest position for delivery of these project elements is as follows:

Project Element	Allocation	Expended	21/22	Reprofiled 22/23	Status
Capital					
Traffic Management Study	175	175			Completed
Street Furniture	40	20	20		In delivery - Town Parklets
Programme Management of Capital workstreams	365	80 (42.4 Footfall Cam 37.6 Additional Transport Work – FHSF)		285	Subject of change request
Revenue					
Smart St Neots	30	30			Completed
Enhanced Marketing (BID)	272	53.4 (Feasibility)		218.6	Subject of change request
Business Survey	12		12		Completed
Programme Management of Revenue workstreams	106			106	Subject of change request
Totals	1,000	358.4	32	609.6	

2.3 On 3 June 2020, the Combined Authority Board approved the Market Towns Programme Investment Prospectus to support mobilisation of the CPCA sponsored Masterplans and allocated a total of £10m capital funding to support the delivery and implementation of projects for the towns of St Ives, Huntingdon, Ramsey, Ely, Soham, Littleport, Wisbech, March, Chatteris and Whittlesey (see background papers 9.3).

2.4 The total funding awarded to date and remaining budget against each town is as follows:

Town	Total Allocation	Total Funding Approved (to date from allocation)	Remaining Allocation (July 21)	
St Ives	£1,000,000	£620,125	£379,875	Extended to March 2023 - CA Board June 21
Huntingdon	£1,000,000	£577,725	£422,275	Extended to March 2023 - CA Board June 21
Ramsey	£1,000,000	£1,000,000	£0	
Wisbech	£1,000,000	£1,000,000	£0	
March	£1,000,000	£1,000,000	£0	
Whittlesey	£1,000,000	£1,000,000	£0	
Chatteris	£1,000,000	£1,000,000	£0	
Ely	£1,000,000	£656,000	£344,000	Change request to extend to March 2023
Soham	£1,000,000	£200,000	£800,000	Change request to extend to March 2023
Littleport	£1,000,000		£1,000,000	Change request to extend to March 2023
St Neots	£3,100,000		£3,100,000	Change request to extend to March 2024
£7,053,850			£6,046,150	

3. Huntingdonshire Project Change Requests

St Neots Masterplan (Phase 1)

3.1 Due to the impact of the Covid-19 pandemic it has not been possible to undertake the planned activities within originally agreed timescales. In view of this, Huntingdonshire District Council are requesting to reprofile the £606,655 (£285,045 capital and £324,610 revenue) of remaining expenditure to 31st March 2023 as follows:

Project Element Expenditure (Reprofiled Drawdown)	21/22			22/23			Totals		
Programme Management of Capital Workstreams	£190,000			£95,045			£285,045		
Capital Sub-total	£190,000			£95,045			£285,045		
Support to Projects - footfall cameras & Co-working/collaborative creative space	£146,000			£72,610			£218,610		

Programme Management of Revenue Workstreams	£78,000	£28,000	£106,000
Revenue Sub-total	£224,000	£100,610	£324,610
Total CPCA Funding	£434,000	£195,655	£609,655

- 3.2 The Covid-19 Pandemic and subsequent Government lockdowns has seen a curtailment of economic and social activities across the country and in that period the market towns of St Neots, St Ives, Ramsey and Huntingdon have seen unprecedented decline in footfall and sales. This has impacted on the trading / viability of small business in town centres that were already in decline. The result of this has meant that the original proposals for St Neots i.e. BID development, marketing and communication strategies could not be delivered in the original timeframe and as per original plan and therefore a change request is being made.
- 3.3 In view of this, Huntingdonshire District Council is requesting that the revenue sum allocated for this activity is reallocated to fund activities that have been identified by the St Neots Masterplan Steering Group and Town Council and support the Future High Street Fund (FHSF) objectives. Following consultation with key stakeholders the Huntingdonshire District Council seeks Combined Authority Board approval for the change request to reallocate the remaining enhanced marketing and BID Development funds of £218,610 to:
- Increase number of footfall cameras in St Neots
 - Support co-working / collaborative creative space in St Neots which could also house Huntingdonshire District Council's Jobs Club
- 3.4 Update on plans for expenditure against Programme Management of Capital elements - an interim Market Towns Programme Manager was recruited in October 2020 to establish the Programme across all Market Towns including the set-up of the St Neots Future High Street Fund Programme and Masterplan Feasibility Project across Huntingdon, St Ives and Ramsey. Attempts to recruit to a fixed term contract post were unsuccessful and the Council has now engaged a recruitment agency to support the recruitment to this post.
- 3.5 Update on plans for expenditure against Programme Management of Revenue elements – Huntingdonshire District Council has commissioned a specialist consultancy agency to support communications and specifically stakeholder engagement for St Neots Future High Street Fund. This work has commenced with stakeholder mapping and the awareness raising element of the programme will commence shortly. The Council is also commissioning a website for St Neots FHSF Programme.
- 3.6 The project change request report received from Huntingdonshire District Council for St Neots Masterplan (Phase 1) is included as Appendix 1.

St Neots Future High Street Funds Scheme

- 3.7 At its meeting on 27th June 2018, the Combined Board approved £3.1m capital funding from to provide a new foot and cycle bridge in St Neots town centre (see background paper 9.1).

- 3.8 Unfortunately, the new foot and cycle bridge was subsequently cancelled due to viability and deliverability matters. On 29th April 2020, the Combined Authority Board approved to recycle the £3.1m capital funding to Huntingdonshire District Council to provide co-funding to the St Neots FHSF Programme. The funding was intended to be drawn down by March 2022 (see background papers 9.4).
- 3.9 The bid for funding from the FHSF was submitted by Huntingdonshire District Council to Ministry for Housing, Communities and Local Government (MHCLG) in July 2020 and decision was expected in Autumn 2020 with the expectation that project planning could commence with certainty as soon as the grant was confirmed. However, due to the Covid-19 Pandemic a decision was not made by MHCLG until April 2021 and the grant agreement was only received on 6 June 2021. In view of this the project planning for the delivery of the St Neots FHSF Programme has only just begun.
- 3.10 Due to the impact of the COVID 19 Pandemic and the delay in receiving confirmation from MHCLG it has not been possible to commence the projects until recently. Highways England/HDC funding can be spent in 2024/25. Therefore, Huntingdonshire District Council are requesting a reprofile of the CPCA £3.1m grant to March 2024 as follows:

Project	CPCA Expenditure Budget			
	21/22	22/23	23/24	Totals
St Neots Road Bridge	£40,558	£147,185	£174,513	£362,256
High Street Improvements	£76,649	£325,917	£733,992	£1,136,558
Market Square	£102,566	£447,892	£1,050,728	£1,601,186
Total CPCA Funding	£219,773	£920,994	£1,959,233	£3,100,000

- 3.11 The St Neots FHSF Programme comprises of 6 key projects, and the CPCA funding is specifically allocated towards the transport themed projects:
- Pedestrian and cycling improvements to St Neots Road Bridge.
 - St Neots High Street improvements.
 - Market Square improvements, including removal of car parking, improved public realm and connectivity enhancements.
 - Redeveloping the Priory Quarter to provide a high-quality event and cultural space and act as anchor for the redevelopment of the northern parts of the town centre.
 - Regeneration of the Old Falcon Inn to bring it back into productive use and protect its heritage status.
 - A new Waterfront Route including a riverside promenade to create a new attraction in the town centre which utilises the riverfront of the Great Ouse for leisure and recreation. The proposed route ends at the Priory Centre, with potential for future extension southwards.

3.12 The project change request report received from Huntingdonshire District Council for St Neots Future High Street Fund Programme is included as Appendix 2.

4. East Cambridgeshire Project Change Requests

4.1 A change request has been received from East Cambridgeshire District Council for their remaining CPCA Market Town Funds (£2,144,000) to be ringfenced to allow for a set of firm proposals to CA Board in Q4 (2021/22) and thereafter extending final project expenditure to 31st March 2023.

4.2 The reprofiling of this expenditure will:

- Allow for the completion of feasibility / business cases to be undertaken to fully test the sustainability of longer-term projects for Ely (£344,000) and Soham (£800,000).
- Allow for the completion of feasibility / business case to be undertaken to fully test the sustainability of the proposed A10 Roundabout project for Littleport (£1,000,000).

4.3 The project change requests received from East Cambridgeshire District Council for the towns of Ely, Soham and Littleport are included as Appendices 3-5.

Significant Implications

5. Financial Implications

5.1 There are Combined Authority funds approved in the medium term financial plan (MTFP) budget of £500k for 2020/21, with an additional £9.5m CPCA capital allocated in 2020/21 and 2021/22.

5.2 £2,144,000 (plus £802,150 for Huntingdonshire approved at CA Board in June 2021) of this will need to be allocated to 2022/23.

5.3 £609,655 (£285,045 from capital cost code CX8002/3 and £324,610 from revenue cost codes CX0125 & CX5033) of remaining funding for St Neots Masterplan (Phase 1) will need to be allocated to 2022/23.

5.4 The £3.1m funding for St Neots FHSF will need to be allocated to 2023/24 as set out in section 3.10 above.

5.5 A summary of the effect of the proposed decisions on the MTFP are shown in the table below:

Financial change summary (£'000)			2021-22	2022-23	2023-24
Current MTFP	HDC Market Towns	Approved			
		STA	£802,150		

	ECDC Market Towns	Approved			
		STA	£2,144,000		
	St Neots FHSF	Approved	£3,100,000		
		STA			
	St Neots Masterplan (Phase1)	Approved	£609,655		
		STA			
Change Requested	HDC Market Towns	Approved			
		STA		£802,150	
	ECDC Market Towns	Approved		£2,144,000	
		STA			
	St Neots FHSF	Approved	£219,773	£920,994	£1,959,233
		STA			
	St Neots Masterplan (Phase1)	Approved	£434,000	£195,655	
		STA			
Revised MTFP	Market Towns/St Neots FHSF (CX0143)	Approved	(£2,880,227)	£920,994	£1,959,233
		STA	(£2,946,150)	£2,946,150	
	St Neots Masterplan (capital – CX8002)	Approved	(£285,045)	£285,045	
		STA			
	St Neots Masterplan (revenue – CX0125/CX5033)	Approved	(£324,610)	£324,610	
		STA			

6. Legal Implications

6.1 The Combined Authority maintains the legal agreements with project delivery bodies.

7. Other 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, community groups, and businesses and workers within the CPCA area.

8. Appendices

- 8.1 Appendix 1 – Project Change Request – St Neots Masterplan Phase 1 (Huntingdonshire District Council)
- 8.2 Appendix 2 - Project Change Request – St Neots FHSF (Huntingdonshire District Council)
- 8.3 Appendix 3 - Project Change Request – Ely Market Towns (East Cambridgeshire District Council)
- 8.4 Appendix 4 - Project Change Request – Soham Market Towns (East Cambridgeshire District Council)
- 8.5 Appendix 5 - Project Change Request – Littleport Market Towns (East Cambridgeshire District Council)
- 8.6 An accessible version of this report and the appendices are available on request from democratic.services@cambridgeshirepeterborough-ca.gov.uk

9. Background Papers

- 9.1 [Combined Authority Board 27 June 2018 - Item 2,1 - St Neots Masterplan](#)
- 9.2 [Combined Authority Board 31 July 2019 - St Neots Masterplan - Item 3.5](#)
- 9.3 [Combined Authority Board 3 June 2020 - Market Towns Investment Prospectus - Item 3.4](#)
- 9.4 [Combined Authority Board 29 April 2020 - St Neots Great River Ouse Northern Crossing Cycle Bridge - Item 4.2](#)