



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.3

March – Future High Streets Funding Bid: Business Case for Additional Combined Authority Match Funding.

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 August 2021

Public report: This report contains appendices which are exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

Lead Member: Mayor Dr Nik Johnson

From: John T Hill, Director for Business & Skills

Key Decision: Yes

Forward Plan ref: KD2021/046

Recommendations: The Combined Authority Board is recommended to:

- a) accept the Business Case for the March Town Regeneration Future High Streets Fund Scheme
- b) Approve the drawdown of the £1.1m of 'Subject to Approval' Combined Authority funding for the March Future Highstreet Fund.
- c) authorise the Chief Legal Officer and Monitoring Officer to complete the funding agreement with the grant recipient.

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

1. Purpose

- 1.1 This Key Decision relates to a recommendation to approve the Business Case received from Fenland District Council and to ratify the request for additional £1.1m of Combined Authority funding towards the March Future High Streets Fund (FHSF) Scheme.

2. Background

- 2.1 On 28th July 2021, the Combined Authority agreed to approve £1.1m funding to Fenland District Council for the March Future High Streets Fund Scheme, subject to the Business Case being received by the CA Board to ratify the approval decision.
- 2.2 The request for additional funding is made in addition to £900k already approved by the CA Board on 27th January 2021 under the Market Towns Programme, making the combined value of the funding ask from the CPCA for this project is £2m.
- 2.3 The Combined Authority has a process set out in the Assurance Framework for considering new investments. A proportional approach is applied to projects, thus those that fell under the Market Towns Programme (which are generally low value) were approved via a light touch application form-based approach. Given the increase in overall funding, it is proportionate to apply a higher standard and for the CA Board to have sight of the Business Case to support their decision.

3. March Town Regeneration Business Case & Appendices

- 3.1 The total cost of the March Town Regeneration Project is £8,447,129, with £6,447,129 of funding secured from Ministry for Housing, Communities and Local Government (MHCLG) under the FHSF Programme, and £900,000 from Combined Authority under Market Towns Programme, which left a funding gap of £1.1m for the FHSF Scheme (and subject of the CA Board approval). The Scheme is scheduled to start from August 2021 and scheduled for completion by July 2024. The total number of proposed new jobs is 96 indirect jobs.
- 3.2 This investment, alongside the MHCLG Investment, will arrest the decline in March town centre and enable the area to make the most of its untapped potential. By itself, such investment would not (and has not been) forthcoming from the private sector because of viability and other issues. In addition, there is no other funding mechanism which could realistically drive the required public realm improvements. To address this, Fenland District Council are proposing the delivery of five transformational projects which amount to a fundamental redesign of how the town centre functions as a retail, entertainment and residential hub:
 1. A dramatic intervention to transform Broad Street - Creation of a major new public space following the removal of one side of the carriageway in the centre of March.
 2. Opening the Riverside areas to improve visibility and access - Reconnect March town centre to the River Nene by providing new banked seating down to the water's edge and improvements to the riverbanks.

3. Redeveloping the historic Market Place - Creation of a new market square with improved infrastructure to support the town's market offer and help to bring more life into the town centre.
4. Acre Road & Backlands - This project will enhance a major development site within the town centre with public realm improvements.
5. Reactivating vacant units & Flats Over Shops programme - Upgrade and repurpose key vacant units across the town centre with a local grant scheme designed to incentivise to conversion of space over shops to residential use.

3.3 These interventions will ensure growth and resilience, and enable the town to surmount its physical and geographic constraints, in response to local challenges and the wider objectives of the Local Industrial Strategy, and the CA approved Growing Fenland Market Towns Masterplan for March, including:

- **'Renew and reshape the town centre'** – the programme includes proposals which will fundamentally change the way in which March functions as a town centre. This includes improvements in Broad Street which will improve pedestrian flow and footfall, changes in use which will support a 24-hour economy and support resilience, and improvements which will open-up underused and derelict areas for commercial development.
- **'Improve experience'** - the improvements to Broad Street, the Riverside, the Market Place and supporting public realm will ensure that existing custom is retained, while providing a new offer to businesses and the wider community. These improvements will be visual, environmental and experiential.
- **'Drives growth'** – the changes will tackle the existing financial viability gap and release new opportunities for the private sector to re-invigorate the town centre. The provision of residential space will drive footfall and dwell time, and help March capitalise on its unique historical and riverside assets.
- **'Structural and significant'** – the interventions will change the way in which the town centre functions. These go beyond both 'surface level change' and 'beautification' and consist of important changes in form and land use.

3.4 Fenland District Council submitted their original bid in May 2020, and in December 2020, MHCLG offered £6.447m and the FHSF Scheme was adjusted accordingly. Therefore, the Business Case (Exempt Appendix 1) needs to be read in conjunction with the Project Revisions report (Exempt Appendix 2) and the Revised Project Spending Profiles (Exempt Appendices 3 and 4) appended to this report, including:

(a) Benefit Cost Ratio (BCR) analysis – the Scheme has an overall BCR indicator of 2.4 based on the assessment model provided by MHCLG, for comparison, this would fall within the 'High' VfM category for transport projects. While detailed review of the financial model has not been undertaken by CPCA Finance, assurance is taken from MHCLG's acceptance of the business case and awarding of funds. (Exempt Appendix 5)

- (b) Strategic Review Document (Exempt Appendix 6)
- (c) Growing Fenland March Market Towns Masterplan (Exempt Appendix 7)
- (d) Growing Fenland – Overarching Strategic Proposals Document (Exempt Appendix 8)
- (e) Opportunity and Illustrative Pre-Design Options (Exempt Appendix 9)
- (f) Scheme Options Appraisal (Exempt Appendix 10)
- (g) Scheme Cost Assessment (Exempt Appendix 11)
- (h) Proposed Timescales for Interventions (Exempt Appendix 12)
- (i) Development Appraisal for Acre Road Development Site (Exempt Appendix 13)
- (j) Community Consultation Responses (Exempt Appendix 14)
- (k) MHCLG COVID Queries and Answers (Exempt Appendix 15)
- (l) March Town Profile and Retail Evidence (Exempt Appendices 16 – 17)

Significant Implications

4. Financial Implications

- 4.1 The Combined Authority allocated the £1.1m subject to approval of the business case at its meeting in July, as such there are no further financial implications to this decision to approve award and drawdown of this funding.
- 4.2 The impact of the proposed decision on the Combined Authority’s medium term financial plan is shown below, taking into account the revised spending profile in Exempt Appendix 3:

Financial change summary (£'000)			2021-22	2022-23	2023-24	2024-25
Current MTFP	Market Towns: March	Approved	1,000	-	-	-
		STA	1,100	-	-	-
Change Requested	Market Towns: March	Approved	-	1,100	-	-
		STA	(1,100)	-	-	-
Revised MTFP	Market Towns: March	Approved	1,000	1,100	-	-
		STA	-	-	-	-

5. Legal Implications

- 5.1 No significant legal implications.
- 5.2 An accessible format version of this report can be obtained on request from democratic.services@cambridgeshirepeterborough-ca.gov.uk

6. Other Significant Implications

- 6.1 None.

7. Appendices

- 7.1 Appendices 1-17 are exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

8. Background Papers

- 8.1 [Combined Authority Board 27 January 2021](#)
- 8.2 [Combined Authority Board 28 July 2021](#)