



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.3

Levelling Up Fund Round 2

| | |
|----------------------|--|
| To: | Cambridgeshire and Peterborough Combined Authority Board |
| Meeting Date: | 8 June 2022 |
| Public report: | Yes. However, This report contains two 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: | Tim Bellamy, Interim Head of Transport |
| Key decision: | No |
| Forward Plan ref: | n/a |
| Recommendations: | <p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Approve Peterborough Station Quarter as the Transport Only bid for the Cambridgeshire and Peterborough Combined Authority for the Levelling Up Fund Round 2b) Delegate authority to the Interim Head of Transport, in consultation with the Chief Finance Officer and the Monitoring Officer to approve and submit the completed application. |
| Voting arrangements: | <p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p> |

1. Purpose

- 1.1 To provide a summary of the Levelling Up Round 2 transport bidding process and to seek approval for the recommended transport bid to be progressed and submitted by 6 July 2022.

2. Background

- 2.1 In March 2022 the Government announced the second round of the Levelling Up fund which focuses on the same investment themes as the initial round. The fund is focused on local transport projects that make a genuine difference to local areas, town centre and high street regeneration, and support for maintaining and expanding of cultural and heritage assets.
- 2.2 The fund will prioritise places in need of economic recovery and growth, regeneration, and improved transport connectivity. The funding is capital and can be for a project with a value of up to £20m, in exceptional cases large transport projects will be considered with a value of up to £50m.
- 2.3 Assessment criteria for the fund is set out in the Round 2 Prospectus. The first gateway is a pass/fail and ensures the basic requirements are met, such as compliance with the deadline, the funding being able to be spent in the 2022-23 financial year and fully spent by either 31 March 2025 or by exception 2026.

The second gateway uses an assessment framework and includes the following,

- **Characteristics of place**, whereby each Local Authority has been placed into category 1, 2 or 3, with category 1 representing the highest level of identified need.
 - **Strategic fit**, applications need to set out how the bid supports the economic, community and cultural priorities of their local area and will further the area's long-term levelling up plans, complementing national (including delivering net zero carbon emissions and improving air quality), regional and local strategies and investments. The bid should show how this funding would complement other funding investments, such as Towns and High Street Funding. The bid should demonstrate how the project has been developed following consultation with relevant local stakeholders, partners, and MP(s).
 - **Economic case**, the bid should demonstrate how it represents public value including quantitative and qualitative benefits.
 - **Deliverability**, the bid will be assessed for evidence of robust management and delivery plans including a procurement strategy, project management, governance, risk management (including statutory procedures have been undertaken, i.e., land acquisition), project costings and monitoring and evaluation. A bid must be able to demonstrate spend from the fund in the 2022-23 financial year.
- 2.4 Support from the local Member of Parliament is required as part of the bid and can take two forms, either a formal priority support to the bid demonstrated through a signed proforma or a general support for the bid through a signed letter.
 - 2.5 The prospectus also stipulates the number of bids each Local Authority can submit and

the characteristic of a place category. The below table shows the categories of the regions in the Combined Authority Area.

| Authority | Category |
|------------------------------------|-----------------|
| Peterborough | 1 |
| East Cambridgeshire | 2 |
| Fenland | 2 |
| Cambridge | 3 |
| South Cambridgeshire | 3 |
| Huntingdon District Council | 3 |

- 2.6 The Combined Authority is eligible to put forward one transport only project.
- 2.7 The deadline for the levelling up funding applications is noon 6 July 2022, with a view that successful bids will be announced in Autumn of this year.

3. Transport Bid

- 3.1 In April, the Combined Authority wrote to its constituent councils seeking transport bids and outlining the sift process, including the sift criteria. Two transport proposals were put forward to the Combined Authority for consideration.
- 3.2 The two transport proposals from Fenland District Council and Peterborough City Council were quite different in scale and complexity. Fenland District Council put forward a proposal which sought funding for Wisbech Access Strategy, March Area Transport Study and Whittlesey Station. Peterborough City Council proposed Peterborough Station Quarter.
- 3.3 Both proposals were assessed in line with the sift criteria. The six Capitals as outlined in the Sustainable Growth Ambition Statement, formed the basis of the sift criteria with additional consideration for deliverability. The Peterborough Station Quarter on average scored higher than Fenland District Council's transport proposal, scoring 3 or above on the Six Capitals criteria. However, the Peterborough Station Quarter programme is challenging and extends to the maximum time allowed, by exception, within the funding prospectus.
- 3.4 The Peterborough Station Quarter offers new and upgraded facilities, including a new western entrance, reallocation of space for commercial and residential use and active travel improvements. These are of significant local and regional value due to the accessibility Peterborough Station provides to/from other areas of the region and the rest of the UK. The project shall support the future expansion of the rail network including additional platforms that Network Rail has confirmed will be required after 2030 to meet demand.
- 3.5 In addition, the Peterborough Station Quarter scheme will boost Peterborough's ability to attract more knowledge intensive high-level employment in a category 1 area by taking advantage of the city's connectivity to London and other key cities in the UK by rail.
- 3.6 Feedback to both Fenland District Council and Peterborough City Council Chief Executive Officers and officers has been undertaken. The Combined Authority is committed to seeing improvements in Fenland and has committed to offering officer

support for future funding opportunities.

- 3.7 The Combined Authority will be the organisation to submit the bid, working closely and collaboratively with Peterborough City Council to prepare the application. If successful, the Combined Authority will act as a grant funding body to delivery partners, a further paper will be presented to the Combined Authority Board following a positive announcement detailing the project and organisational structure.

4. Financial Implications

- 4.1 Peterborough Station Quarter is a £70m project, the funding bid value for this Levelling Up Fund is £48m.

- 4.2 The table below sets out expected spend profile for the project:

| | | Financial Year | | | | Total £'000 |
|--|---------|------------------|------------------|------------------|------------------|----------------|
| | | 2022-23 £'000 | 2023-24 £'000 | 2024-25 £'000 | 2025-26 £'000 | |
| Station Connectivity Enhancements | Capital | 300 | 1,200 | | | 1,500 |
| New Lease Arrangements and Relocation of Existing Car Parking Spaces | Capital | 300 | 3,300 | | | 3,600 |
| New Western Entrance and Car Parking | Capital | 600 | 1,900 | 4,000 | 3,000 | 9,500 |
| Eastern Station Improvements and New Footbridge | Capital | 1,500 | 2,600 | 11,000 | 15,000 | 30,100 |
| Station Access Enhancements | Capital | 300 | 1,000 | 2,000 | | 3,300 |
| Total | | 3,000 | 10,000 | 17,000 | 18,000 | 48,000 |

- 4.3 Match funding from the project is expected from Peterborough City Council, Network Rail, LNER, and commercial and residential development.
- 4.4 Department for Levelling Up, Housing and Communities guidance states that Levelling Up funding “would need to be spent by 31 March 2025, and exceptionally, into 2025-26 for larger schemes”. Clarification of “exceptionally” has been sought, but no further guidance has been received at this stage. If unsuccessful in the bid for Levelling Up funding, the project will be reviewed, and consideration given to rephasing and rescoping the project whilst also exploring alternative funding sources.

5. Legal Implications

- 5.1 A Subsidy Control Assessment is required to be undertaken as part of this application to ensure compliance with the UK Subsidy Control Act. The Subsidy Control Assessment will be undertaken and included in the bid before submission.

6. Public Health Implications

- 6.1 The Peterborough Station Quarter project will significantly enhance active travel (walking and cycling) infrastructure and connectivity between the station, town centre, and areas to the west of the station. This will serve to encourage residents of Peterborough to engage in healthier modes of travel. The health benefits from the active travel improvements will be quantified through assessment and reported in the bid for July 2022.

7. Environmental and Climate Change Implications

- 7.1 Peterborough Station Quarter is expected to reduce carbon emissions through an increase in rail patronage and reduction in private vehicle use. The increase in rail patronage will be driven by improved station facilities, better access to the station by pedestrians, cyclists and buses, enhanced car parking, and new active travel connections between the station and the rest of Peterborough.
- 7.2 A key part of the project is the provision of a new western station entrance and associated car parking facilities. The station is currently only accessed directly from the eastern side of the rail lines, including all car parking provision. This means that passengers accessing the rail station often need to travel further than is necessary, adding to walking and cycling distances and increasing highway congestion and carbon emissions.
- 7.3 In addition, low carbon technology will be used through the project's design, construction, and operational phases. The intention is to work closely with our project partners and their procurement specialists to ensure that carbon emissions throughout the design stage are carefully considered and designed out where possible embracing the principles of the circular economy.
- 7.4 Currently, surface car parking facilities make up approximately 48,000m² of space in the vicinity of Peterborough Station. This constitutes a large area of paved surfaces, void of any aspects of natural capital.
- 7.5 This project aims to consolidate these surface car parks to unlock this land for other uses. This will allow the incorporation of natural capital elements into the design – particularly into the proposed public realm features.
- 7.6 The project team is aware of the upcoming requirements in the Environment Act 2021 to mandate a 10% measurable increase in biodiversity post development and the recommendations of the Independent Commission on Climate accepted by CPCA to consider biodiversity net gain targets higher than the proposed mandatory minimum, recognising that the area is one of the most nature depleted in the country and therefore needs to kick-start its recovery faster than other areas.

- 7.7 The project will seek to ensure this requirement is met with a significant measurable improvement in comparison to what is currently located within the vicinity of the station. These elements may include the planting of trees/vegetation and provision of landscaped green spaces specifically designed to benefit the biodiversity in the vicinity of this location.

8. Appendices

- 8.1 Appendix 1 – Sift Outcome
- 8.2 EXEMPT Appendix 2 – Peterborough Station Quarter Form
- 8.3 EXEMPT Appendix 3 – March/Wisbech/Whittlesey Form

9. Background Papers

- 9.1 [Levelling Up Fund Round 2: application guidance](#)
- 9.2 [Levelling Up Fund Round 2: technical note](#)
- 9.3 [Levelling Up Fund Round 2: prospectus](#)