



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.4
03 JUNE 2020	PUBLIC REPORT

MARKET TOWNS PROGRAMME – INVESTMENT PROSPECTUS 2020

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 each of the key 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 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 report for East Cambridgeshire (Ely, Soham & Littleport) is due to go to the Combined Authority Board for approval on 29 July 2020.
- 1.5. This paper provides background and strategic context to the Combined Authority Market Towns Programme and recommends that the Combined Authority issue an Investment Prospectus in June 2020. The Market Town Programme Investment Prospectus will invite proposals from local authority leads to support the delivery and implementation of priorities from each town Masterplan.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor Palmer
Lead Officer:	John Hill, Director Business and Skills
Forward Plan Ref: N/A	Key Decision: No
<p>The Combined Authority is recommended to:</p> <p>(a) agree the below scope of the Investment Prospectus to in delivery of Market Town Masterplans, and delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Skills, to sign-off of the final version;</p> <p>(b) note that the Investment Prospectus will be launched to Market Town leads and partners in June 2020;</p> <p>(c) note that funding applications will be brought to the Combined Authority Board for approval from July 2020 onwards.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</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 INVESTMENT PROSPECTUS

- 3.1. Combined Authority funding will be subject to a call process and made available for bidding from June 2020 onwards. In order to secure capital funds, town teams and local authority leads will be invited to submit bids against the Investment prospectus.
- 3.2. 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.
- 3.3. 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.
- 3.4. 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.
- 3.5. St Neots Masterplan - the Combined Authority Board has also agreed to recycle **£3.1m** market town investment back into St Neots and this will be administered through the Investment Prospectus process. This makes the total Combined Authority investment being pledged to support delivery of Market Town masterplans is **£13.1m** across the 11 market towns.

STRATEGIC CONTEXT

- 3.6. Many of the market towns and villages surrounding Cambridge have rich visitor opportunities, which if developed into a more coordinated offer can bring in revenue and create real economic opportunities. Business tourism is very important as well and has an important impact on the growth and productivity of other sectors in the economy, especially in knowledge intensive industries.
- 3.7. 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.
- 3.8. 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.
- 3.9. 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.

3.10. 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.

PROGRAMME CRITERIA

3.11. 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 will be 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.
- Furthermore, proposals will also be required to set out how market towns can support Covid-19 recovery for Cambridgeshire & Peterborough, focusing on the anticipated changes in behaviour around the use of public transport, commercial and public community space, and High Streets. How market towns can support Government measures based on new econometrics around increased homeworking, and improved public transport systems, cycleways, and footpath connectivity.
- The prospectus is seeking proposals for capital investment only. There is no revenue funding available through this prospectus.
- The maximum investment to be provided as a proportion of total project cost will vary from project to project, and the prospectus will seek that applicants demonstrate value for money and where possible secure additional funding in match to Combined Authority investment.
- Applicants should seek their own advice on State Aids implications of the proposed project, and evidence of this will be sought as a condition of funding. Combined Authority funding cannot be used towards State Aids or other legal costs incurred by the project delivery body as part of the application process. The Combined Authority will not reimburse legal or other costs incurred during applications, whether the application successful or unsuccessful in seeking funding.

APPLICATION PROCESS, DUE DILIGENCE AND APPRAISAL

- 3.12. The application process and outline guidance will be set out within the Investment Prospectus. 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.
- 3.13. Applicants will have the opportunity to have initial discussions with relevant Combined Authority officers regarding eligibility and the suitability of the proposed project.
- 3.14. The process will be a one-stage application process and applicants will be invited to complete and submit a full Business Case to the Combined Authority. Business Cases for Growth Deal funding are expected to conform with the Treasury 'Green Book' guidance and the Combined Authority 10-point project guide.
- 3.15. 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.
- 3.16. Appraised applications will be scored and ranked based of the programme criteria set out above. This approach will help manage any oversubscription of programme funds.
- 3.17. Recommendations will be brought to the Business Advisory Panel for consideration from July 2020 onwards and it is expected that the first tranche of projects will be brought to Combined Authority Board in July 2020 for approval.

4.0 FINANCIAL IMPLICATIONS

- 4.1. There are Combined Authority funds allocated within the MTFP budget of £500k in 2019/20 and £4.5m in 2020/21. The 2019/20 underspend is requested to be rolled over in to 2020/21 budget. An additional £5m CPCA capital is allocated in 2020/21 and 2021/22. The total budget available for the Investment Prospectus in £13.1m.

5.0 LEGAL IMPLICATIONS

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

6.0 OTHER SIGNIFICANT IMPLICATIONS

6.1. 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.

7.0 APPENDICES

7.1. None

<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
Treasury Green Book – Central Government Guidance on Appraisal and Evaluation	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf
Combined Authority Board reports 29 January 2020	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/851/Committee/63/SelectedTab/Documents/Default.aspx
Mayoral decision making meeting reports 25 March 2020	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/853/Committee/63/SelectedTab/Documents/Default.aspx