

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Accelerated COVID-19 Towns Programme

Meeting/Date: Cabinet – 18th March 2021

Executive Portfolio: Executive Councillor for Housing and Economic Development

Report by: Interim Corporate Director (Delivery)

Wards affected: All

Executive Summary:

Since the initial work on the prospectuses for growth the Council has been progressing a range of work in the market towns, most notably the submission of a £12M programme to the Future High Street Fund (Ministry of Housing, Communities and Local Government) for St Neots at the end of July 2020.

The Combined Authority also endorsed outline proposals for the Market Towns Fund (prospectuses for growth) for Huntingdon, St Ives and Ramsey in 2020 and initially set out that funding bids could be made against a £1M capital pot per town during 2020/21.

In the Autumn the Cambridgeshire and Peterborough Combined Authority split the funding pot in two with £0.5M for the long term Master Planning in Huntingdon, St Ives and Ramsey and the remaining £0.5M to be used for shorter term projects in response to COVID-19 and the impact on the town centre economy. Bids had to be submitted by 18 December 2020.

A revised set of funding criteria was developed by the Combined Authority for these shorter-term projects initially requiring these projects to be delivered out by March 2021 and post submission revised for projects to be “in delivery” by 31 March 2021 and subsequently for them to be delivered by 31 March 2022. These timescales were changed primarily because of COVID-19 and the national lockdown. All the bids were assessed independently.

Although the timescale was tight the Council submitted capital bids in December 2018 totalling £1.8M. It was anticipated that one or more of the bids would not be successful, however, all the proposals passed the independent assessment and a total of £1.8M of bids was agreed by the Combined Authority Board in January 2021.

This left the Council with two significant challenges, the fact that only £1.5M capital was available at this stage and secondly maintaining a balance of investment across the three towns. On the former, given there is still headroom within the original £1M allocation per town and the projects are at an early stage of development/feasibility this is not seen as a significant issue, providing the overall spending cap of £3.0M is not exceeded by March 2022.

On the latter (given a longer time window now for delivery) further discussions have taken place with Ramsey representatives to see what could be achieved. Although these discussions are still at an early stage on several options it is proposed that a scheme will be substituted into the programme in due course. This will also help to address the balance of the budget provision.

The timescale was extremely tight to get these bids together there are also several factors outside the Council's control that will influence delivery. The initial proposals have been discussed with Town Council representatives at key stages of their development, however, no wider consultation has taken place.

The funding from the Combined Authority is capital and therefore the Council will need to commit revenue resources (primarily staff time) to deliver the projects themselves. This has been estimated to total £300,000 over the next twelve months.

Recommendation:

- (a) That the Cabinet agrees the Accelerated Towns Programme and commits Council staff resources to the value of £300,000 deliver the programme through to 31 March 2022.
- (b) To delegate authority to the Executive Leader in consultation with the appropriate Corporate Director to make any amendments required to the programme through to 31 March 2022.

1. PURPOSE OF THE REPORT

- 1.1 Supporting our town centres is a priority for the Council. Opportunities to secure external investment have been pursued over several years and this has become even more important given the impact of COVID-19 on the economy and our town centres. Whilst the towns in Huntingdonshire have fared well against the larger cities over the past year it is important that opportunities for investment are taken, whilst recognising the bidding criteria. The report sets out the background and proposals in response to the Accelerated Towns capital funding the Cambridgeshire and Peterborough Combined Authority has made available.
- 1.2 To agree the priorities for the short-term capital investment that has been made available by the Cambridgeshire and Peterborough Combined Authority for Huntingdon, St Ives and Ramsey in response to the impact of COVID-19 on the town centres.
- 1.3 To provide a range of interventions that will have a positive impact in the way people access and make the most of visiting the town centres.
- 1.4 To provide an overview of the proposed programme of work which is backed up by the detailed submissions to the Combined Authority and which have been independently endorsed.
- 1.5 To commit Council resources to deliver the £1.8M accelerated towns programme as part of the Market Towns Fund. This will cover a range of interventions in the short term that will enhance the longer-term sustainability of the three market towns.
- 1.6 To recognise that the programme may need to be amended during the year as currently these proposals are at the feasibility stage and final funding agreements are still to be signed with the Cambridgeshire and Peterborough Combined Authority. A delegation is therefore sought to enable any changes that are required to the programme to be made during the year.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The opportunity for capital investment in the market towns commenced well before COVID-19. A bid for St Neots was made to the Ministry of Housing, Communities and Local Government in July 2020 which included market town funding from the Combined Authority of £3.1M.
- 2.2 The Combined Authority also made £1M capital available for Huntingdon, Ramsey and St Ives for Master Planning work following the submission of prospectuses for Growth in February 2020. In Autumn 2020 the Combined Authority revised these arrangements, retaining £0.5M for the master plan work and reallocating the other £0.5M for capital projects in response to COVID-19 in each town.
- 2.3 The initial guidance from the Combined Authority was that as well as meeting the deadline for bidding all the funding had to be spent and

schemes installed by the 31 March 2021. The position from the Combined Authority is now that the projects must be completed, and all capital monies spent by March 2022 as post submission the national lockdown was put in place.

- 2.4 This report contains the programme of proposals that Huntingdonshire District Council submitted to the Cambridgeshire and Peterborough Combined Authority on 18 December 2020 and which was subsequently agreed by the Combined Authority Board meeting in January 2021.
- 2.5 The Combined Authority provided a template for all submissions and bids needed to score a minimum of 75 points to pass the threshold criteria. The bids were independently assessed and although the Council has not seen the final scoring it is understood that all the bids passed the threshold.
- 2.6 The Combined Authority set out some guiding principles for the bidding which is accompanied by a detailed bidding framework, these themes were as follows: -
- Promoting healthier and greener lifestyles
 - Active travel and environmental benefits
 - Enabling a greener economy and improved air quality
- 2.7 Given the extremely tight timescale for bidding that had been set there was not time for detailed community engagement. However, the Council officers did meet with town council representatives in November and discussed the proposals for submission again in December. These high-level proposals have been informally endorsed by the Town Councils at this stage.
- 2.8 The overall vision for the town recovery work was “Minimising the long term social and economic impacts of COVID-19 on our local community and businesses”, which is at the centre of this programme of work.
- 2.9 The submissions for Huntingdonshire District Council were grouped under the following headings:
- Attractiveness of the town centres
 - Access and connectivity
 - Heritage, walking and cycling

Further details on each of the submitted bids are set out in the table below and can be seen in the paper that was considered at the Cambridgeshire and Peterborough Combined Authority Board (Item 3.2 section 2.7)

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1983/Committee/63/SelectedTab/Documents/Default.aspx>

- 2.10 Delivery of this programme to the timetable that was set originally has been extremely challenging. There is a significant amount of work to be undertaken and there was no revenue funding available from the Combined Authority. The Council has therefore had to use revenue

reserves to fund additional programme management support and will be using staff resource to manage the projects.

- 2.11 There is no additional COVID-19 capital funding available for St Neots. A request was made to the Combined Authority for an additional £0.5M, however, the Combined Authority indicated that unfortunately there was no further funding available on top of the £3.1M that St Neots had already received as part of developing the Future High Street Bid. A paper on the £12M investment programme for St Neots is being considered by Cabinet in February 2021 and subject to final agreement by the Cabinet and government work will commence from the start of April.
- 2.12 Since the initial submission further work has been undertaken to look at the proposals for Ramsey. Given the time constraints set by the Combined Authority have been relaxed it is recommended that one of the original schemes is now substituted for a new scheme in Ramsey.
- 2.13 The Huntingdon Riverside scheme would be substituted in time and go onto the reserve list. This would also significantly improve the distribution of the funding between the three towns and bring the committed capital down closer to £1.5M.
- 2.14 A new proposal for Ramsey is currently been worked on and would be submitted to the Cambridgeshire and Peterborough Combined Authority Board at the end of February for consideration at their March meeting. Once this scheme has been endorsed by the Combined Authority the Huntingdon Riverside project will be withdrawn and further details of the new scheme will be shared.

3. ANALYSIS OF OPTIONS

- 3.1 **Preferred Option** - To proceed with the programme agreed by the Combined Authority Board subject to further work on the substitution of the Riverside scheme for a new scheme in Ramsey. The schemes are as follows, further details are set out in the Combined Authority report.

3.1.1 Attractiveness of the Town Centres

- Modern, simplified street furniture
- Modern waste solutions
- Parklets – attractive seating that also acts as physical barriers
- Electric vehicle charging
- Upgraded/ replacement toilets
- Sites for small and medium sized enterprises to trade
- Improved market trader provision and pop up offer

3.1.2 Access and Connectivity

- Riverside frontages – proposal for Ramsey to be substituted*
- Cycle storage
- Smarter towns
- Wayfinding and information
- New proposal for Ramsey to be added*

3.1.3 **Heritage, Walking and Cycling**

- Town walks
- Places to dwell
- Green walks

When the replacement proposal for Ramsey is added it is estimated that the split across the three towns will be 34% Huntingdon, 29% St Ives and 37% Ramsey at this stage. The remaining Master Planning work will then be used to bring this as close as possible to an even split.

3.2 **Exploring a different strategy to the projects**

3.3 The Council could have looked at a different range of projects, however, it was felt the current set of proposals reflected a variety of capital interventions that could improve the longer-term viability of the town centres and provided the best chance of delivery with the timescales the Combined Authority has set.

3.4 The Council could have provided a fund for businesses to bid into for one-off schemes. It was felt that given the criteria that had been set for the bids and the timescale this would not be possible. In addition the Council views our community leadership as really important and by working with the town councils it is anticipated that projects that enhance the visitor experience and attractiveness of the towns can be best be achieved through a co-ordinated programme.

3.5 **Challenging the requirements** – The Council has sought clarification on the programme since the details on the COVID-19 accelerated programme were published in October. There has been some movement on the deadline for submissions and the Council has needed to put forward a suitable set of proposals and that stand the best chance of meeting the threshold for approval. It was felt that it was best to channel our resources into bringing forward and attractive proposition. Given the increasingly difficult supply market, primarily due to COVID-19 but at the time also due to the uncertainty around the transition away from the European Union. The Council has continued to seek clarity on the arrangements and a timescale that is pragmatic. It is very helpful that the Combined Authority has now changed the time constraints, officers had already been proactive in putting some work out to tender at the earliest opportunity.

3.6 **Delay** – There is an option not to push ahead with these short-term interventions and proceed with the original longer-term plans. However, there is a desire to do everything we can to support the towns and the high street during these difficult times. In addition, the Combined Authority stated that unless bids were submitted by the 18 December 2020 then the money would be reallocated.

3.7 **Do nothing** – the Council could have done nothing and there is always a do-nothing option. It is understood this would result in the funding that

had been earmarked for Huntingdonshire returning to the Combined Authority for reallocation.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

5. KEY IMPACTS / RISKS

- 5.1 The measurable impact of the interventions on the High Street will be difficult to assess. The Council has moved forward with footfall counters in some of the towns and so the actual number of visitors can be tracked. However, assessing the direct impact of each of the projects will be more challenging.
- 5.2 The bids contain further details of the anticipated impact of each of the projects and it is hoped that this will increase the number of people visiting the towns by improving the attractiveness, providing a wider variety of facilities and increasing the dwell time.
- 5.3 There are a variety of risks associated with this bid which have been set out in the following sections. These have been scored on likelihood and impact where the range is 1-5, with 5 being high/critical.
- 5.4 Capacity and Capability of Resources to deliver – (likelihood 5, impact 4), there are already constraints on Council staff and resources prior to undertaking additional projects such as the Accelerated COVID-19 programme. Discussions are on-going with HDC project leads to assist in managing the delivery of the Accelerated Programme. This work is seen as a high priority, however, further government schemes, worsening economic impacts and additional response work could mean there is reduced capacity to deliver this work. Mitigation: Some additional resource has been brought in to support the programme management, however, further assessment of the revenue resources will need to be considered as the Council moves from feasibility into delivery and to meet the deadlines. Support from the Town Councils has also been requested.
- 5.5 That the Accelerated Programme funding is not equitable across the three Market Towns - (likelihood 5, impact 4). Efforts have been made and continue to be made to ensure that CPCA funding allocation is proportionate across the three Market Towns. It is proposed that one of the initial projects is replaced with a project in Ramsey to obtain a more even spread of the funding. The aim was to allocate and spend all £1.5M on these COVID projects (which has been achieved) and that any adjustment per town (the additional £0.3M) would be factored into the remaining £1.5M for the longer-term work, agreement would need to be sought from the Combined Authority. If it is not possible to substitute a viable project in Ramsey then this risk will need to be accepted at this stage.

- 5.6 Procurement and Market conditions causing delay - (likelihood 3, impact 4) Several suppliers have already indicated that due to the uncertainty over the transition out of the European Union they are not undertaking new work in January/February. This also places pressure to ensure that procurement is in place to minimise risk of engaging contractors
Mitigation: The Council has undertaken preliminary procurement assessments to manage the need to move at pace and ensure reliability and quality of contracts and services from external suppliers. This may mean projects being delivered in a 'phased approach'. At this stage it is recognised that several of the projects will only be in the early stages of delivery by 31 March 2021.
- 5.7 Risk of COVID-19 Lockdowns and subsequent delays - (likelihood 3, impact 3). The continued uncertainty caused by the COVID-19 pandemic impacts directly on the programme. Council officers continue to liaise with the Combined Authority to ensure flexibility of delivery as a result of COVID-19 constraints is reflected in contracts and letters of Offer.
- 5.8 Timescale slipping – (likelihood 3, impact 4) The timetable that has been set by the Combined Authority for implementation was challenging in October, this has been extended now which is appreciated. Mitigation: It is hoped that the Combined Authority will provide some flexibility within their Letters of Offer.
- 5.9 Financial Risk - (likelihood 4, impact 4) that there is a failure to ensure that the financial implications of the Accelerated Programme and each project are considered prior to implementation. Mitigation: Council Officers have been asked to review costs prior to formal procurement and delivery. To ensure delivery, where appropriate some elements of projects will proceed with agreed, monitored and controlled risk.
- 5.10 Lack of partner support – (likelihood 2, impact 4) Many of the projects involve obtaining permissions, licences or the support of other agencies including the County Council and Town Councils. Mitigation: Support has been sought from senior officers at Cambridgeshire County Council and the town councils, the level of support has been agreed in principle but has not been quantified at this stage.
- 5.11 Legal Risk - Legal Risk (likelihood 3, impact 3) that agreement cannot be reached with the Combined Authority on the programme of work. Mitigation: Officers have worked with the Combined Authority to provide detailed business cases which should mean legal agreements can be drawn up and agreed. Council has asked for these agreements to be as simple as possible and proportionate.
- 5.12 Delays due to processes and procedures - (likelihood 3, impact 4) All of this work will need to be procured, some officers have already started that process. There is the potential to proceed at risk with some work, however, that would be reliant on the Combined Authority approving a bid and the final offer letters, draft agreements were received on 22 February and are currently being reviewed. Mitigation: Consideration of framework agreements and using existing contract agreements.

- 5.13 Funding agreement delays (likelihood 4, impact 2) It is understood that as well as the detailed bids a funding agreement for each proposal will also be required by the Combined Authority after the Board decision. Mitigation: It is anticipated that delivery work will be able to continue as bids have been agreed in principle and that the paperwork can be kept to a minimum and prepopulated by the CPCA based on the detailed submissions.
- 5.14 Lack of understanding on the Capital considerations (likelihood 2, impact 3) This funding is only capital and there may be projects that contain some revenue considerations in delivery and certainly an ongoing revenue pressure post-delivery. Mitigation: To work closely with officers to try and ensure all expenditure is capital, recognising that any ongoing revenue costs will need to be picked up by the District Council or Town Councils.
- 5.15 Not being able to adjust or substitute projects (likelihood 2, impact 3) All of the proposals are subject to tender. Therefore, it is very likely that some quotes will come back higher than anticipated, others lower. Mitigation: Flexibility is being sought from the Combined Authority to adjust the programme and the themes providing the overall funding envelope is not exceeded.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 6.1 The Corporate Plan sets out the policies, aspirations and objectives on an annual basis and was updated in 2020. Several strands of work were added to reflect the additional requirements as a result of COVID-19. Supporting the viability of the towns in Huntingdonshire remains a priority.
- 6.2 The Council is also refreshing the suite of plans and strategies which has commenced and will be completed in the next 15 months.

7. CONSULTATION

- 7.1 There has been informal consultation on these proposals with the Town Councils and the Cambridgeshire and Peterborough Combined Authority.

8. LEGAL IMPLICATIONS

- 8.1 There are a several legal considerations associated with this work which are as follows:
- 8.2 Contracts will need to be drawn up with a variety of providers, it is anticipated that these will follow the Council's standard terms and conditions.
- 8.3 State Aid - because the Council is using public money in the towns then we need to ensure that we do not breach any State Aid legislation.

Discussions have taken place with 3C Legal and the investment proposals have been shared. This is a complex area and the Council will need to regularly review this throughout the next few months to ensure the projects comply.

9. RESOURCE IMPLICATIONS

- 9.1 Delivering this programme of work will require the commitment of at least a dozen officers on just overseeing the projects. The anticipated HDC resource is £225,000 in officer time. In addition programme management support has been brought in to drive the programme forward and liaison with the Combined Authority, it is proposed that £75,000 is committed for this vital support to continue in 2021/22 from COVID-19 related revenue funding or reserves.
- 9.2 This work is against a backdrop of responding to COVID-19, the wider Council recovery work, delivering a range of projects the Council has already committed to and business as usual.
- 9.3 This is stretching the Council's resources to the limit and without any revenue funding to progress the work this presents a significant challenge. The Council will have spent up to £50,000 in additional programme management support through to the end of March 2021 and whilst this will help in holding the programme together this does not provide for delivery support on the ground.
- 9.4 There is a possibility in that delivering this programme other Council priorities could slip, securing people with the right knowledge, skills and experience to deliver the work will be essential.
- 9.5 There is potential to look at earmarked reserves to fund additional resource, however, given the current financial climate this has not been recommended at this stage.

10. REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 Given that capital funding is available from the Cambridgeshire and Peterborough Combined Authority to undertake these projects to support Huntingdonshire, Ramsey at St Ives it is recommended that the Council proceeds with this programme.
- 10.2 The timescale that the Combined Authority has set will be challenging for some of the projects that have been proposed, however, the recommendation is that these are the right things to do to support the towns in the short term.

11. LIST OF APPENDICES INCLUDED

None

12. BACKGROUND PAPERS

Exempt - Individual bid submissions which are available on request

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