

CABINET	AGENDA ITEM No. 6
14 NOVEMBER 2022	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director Place and Economy	
Cabinet Member(s) responsible:	Cllr Marco Cereste, Cabinet Member for Climate Change, Planning, Housing and Transport	
Contact Officer(s):	Lewis Banks (Transport & Environment Manager)	Tel. 01733 317465

**EASTERN INDUSTRIES ACCESS IMPROVEMENT SCHEME –
CONSTRUCTION OF ACTIVE TRAVEL SCHEMES & PAYMENT OF C4 UTILITY
DIVERSION CHARGES**

RECOMMENDATIONS	
FROM: Executive Director Place and Economy	Deadline date: November 2022
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the award of £550,424 to Milestone Infrastructure Limited to deliver construction of active travel schemes and approve £315,000 for payment of C4 Utility charges, all of which are part of the Eastern Industries access improvement scheme. Approval is also requested to include £13,224 of remaining budget the CPCA has from the previous stage of the project. Approval is requested for a total of £878,648. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet as it is a key decision under the executive delegations.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for Cabinet to consider and approve the award of £550,424 to Milestone Infrastructure Limited to deliver construction of active travel schemes and approve £315,000 for payment of C4 Utility charges, all of which are part of the Eastern Industries access improvement scheme. Approval is also requested to include £13,224 of remaining budget the CPCA has from the previous stage of the project. Approval is requested for a total of £878,648.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3

To determine any key decision (as defined in Article 11 – Decision Making), with the exception of any time-critical decision, which may be determined by the relevant portfolio holder.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
---------------------------------------------	-----------	----------------------------------	------------

4. BACKGROUND AND KEY ISSUES

- 4.1 The Peterborough City Council Local Plan (adopted July 2019) sets out the overall vision, priorities and objectives for Peterborough up to 2036. The updated strategy identifies the required delivery of 19,440 new homes and 17,600 new jobs by 2036.
- 4.2 The largest employment allocation within Fengate is the Red Brick Farm site which covers 12.6 hectares. This is likely to be a mixture of storage and distribution units and general industry units with office space.
- 4.3 The Eastern Industries Access Study Area focuses on the north of Fengate, where the Red Brick Farm site is located. It considers Junction 7 and Junction 8 of the A1139 Fletton Parkway (key access to / from the parkway system), access routes into Fengate such as Parnwell Way and Oxney Road, and internal roads within Fengate such as Edgerley Drain Road and Storey's Bar Road.
- 4.4 The future development of the Red Brick Farm site will have a significant impact on the existing road network in the area. Therefore, this scheme will look to address what improvements will be required to mitigate the additional trips that would be generated as a result of this development and others in the area.
- 4.5 The Cambridgeshire and Peterborough Combined Authority (CPCA) have commissioned Peterborough City Council to undertake a project business case for Eastern Industries. A Strategic Outline Business Case (SOBC) was undertaken to review and assess various aspects of the scheme. Once the SOBC had been completed, approval was granted by CPCA to commence the next phase of the business case, which was the Full Business Case (FBC) and detailed design.
- 4.6 The FBC is nearing completion and detailed design of some of the schemes identified to improve access has been completed. Design for some of other the schemes is still continuing and nearing completion. However, as the project is funded by the Transforming Cities Fund (TCF) and as it is time limited and must be spent by 31st March 2024, it has been decided to accelerate with the schemes that have a completed design and also accelerate with making payment toward C4 utility charges ahead of construction for the remaining schemes.
- 4.7 Presently, two active travel schemes have been designed and ready for construction. These are Newark Road footpath and Oxney Road pedestrian improvements. Recent Economic Assessment of the FBC demonstrated that Benefit to Cost Ratio (BCR) of the scheme is 2.46 however, with inclusion of the two active travel schemes will further increase the score and offer very high value for money and making a strong case for early investment.
- 4.8 As stated earlier, the FBC is close to being finalised and is planned to be presented at the January 2023 CPCA Board meeting with a request for approval for funding to deliver construction of the remaining schemes being designed. However, to minimise delay and enable schemes to commence as early as possible a request is being made to accelerate funding for the C4 utility charges. These costs would have been requested as part of the construction phase, but concern has been raised in the time utility companies are taking to process these would present a risk of delay to programme and also spending all of the TCF funding by 31st March 2024. Therefore funding is being requested early.
- 4.9 At the October 2022 CPCA Board meeting (19/10/22) approval was obtained to award £550,424 for the two active travel schemes; Newark Road footpath and Oxney Road pedestrian improvements and to also award a further £315,000 to allow C4 utility charges to be progressed ahead of construction in 2023. In total £865,424 of funding was approved. However, there is £13,224 of approved CPCA budget unclaimed from the previous stage which had not been covered in the last decision notice. Including this funding will allow the Council to align its project finances with those of the CPCA and ensure that all of the relevant governance is in place, enabling the Council to spend and claim the funding that is available. Therefore the total value approval is requested for will increase to £878,648.

- 4.10 Since 2017/18 the Council has been awarded funding towards the project by the CPCA. As end of June 2022, a total of £949,308 has been claimed from the CPCA as grant funding. Table 1 below details the amounts claimed in each financial year.

Table 1: CPCA grant funding

Financial Year	Funding Received
2017/18	£60,710
2018/19	£122,477
2019/20	£82,883
2020/21	£277,923
2021/22	£368,558
2022/23*	£36,757
Total	£949,308

*Only covers spend incurred between April to June, the first quarter of 2022/23.

- 4.11 The funding above was used to complete the SOBC stage and progress the FBC stage of the business case and design. As stated earlier, at CPCA Board meeting held on 19 October 2022, a decision was made to award further funding to continue the project and commence the construction stage.
- 4.12 If Cabinet approve the funding then the work will be commissioned to Milestone Infrastructure Ltd under the existing Peterborough Highway Services contract. To maintain continuity and to avoid delay in the progress made so far, continuation of the project will remain with Milestone as per the Peterborough Highway Services contract. The budget awarded will also be required to cover C4 utility diversions. All payments to other suppliers will be reviewed and the necessary governance and procurement processes shall be followed.

5. CONSULTATION

- 5.1 An online public and stakeholder consultation exercise was undertaken in February 2021, the results of which were reviewed and then incorporated into the business case and design.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 It is anticipated that the council will award the package of work to Milestone Infrastructure Limited as outlined in this report.

7. REASON FOR THE RECOMMENDATION

- 7.1 This recommendation has been made to ensure that the Council is able to effectively deliver grant funding awarded to it by the CPCA for Eastern Industries access improvement scheme. Successful delivery of the funding will help the Council to obtain further funding from the CPCA for the construction of the remaining schemes which are still being designed. Delivery of the scheme will improve the capacity and operational performance of the highway network which is crucial to supporting further growth.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Not to deliver the scheme: This has been discounted because the highway network around the Fengate area will suffer from heavy congestion at peak times. This will have a negative impact on the local economy by deterring potential new businesses looking to invest in the city due to the long journey times in the area. Successful delivery of the scheme will provide significant benefits to the wider travelling public, resulting in improvements to; journey times, accessibility and the environment.

In the unlikely event that the CPCA decide to not award Peterborough City Council the funding for the remaining schemes, the Council will look at alternative options to fund the project or place the schemes on hold until funding becomes available.

9. IMPLICATIONS

Financial Implications

- 9.1 The recommendation will commit capital expenditure of £878,648 to be funded by confirmed grant from CPCA. No long-term borrowing for the Council arises from this decision. However, there will be short term borrowing required to fund the project throughout until the claims are met.

In the event that the project is aborted, costs for development of the business case and design would need to be expensed to the revenue account but this risk is extremely low.

Legal Implications

- 9.2 There are no legal implications arising as a result of this decision.

All of the highway improvement works planned for Newark Road and Oxney Road will be on existing highway land owned by the Council. The current decision does not require purchase of any third party land.

Equalities Implications

- 9.3 It is not anticipated that any one identified group will be disproportionately affected by this proposal.

Carbon Impact Assessment

- 9.4 Successful delivery of the construction phase will significantly improve pedestrian and cycle routes with the introduction of better connected footpaths and crossing points that are LTN 1/20 compliant schemes. The aim of the works is to improve sustainable travel infrastructure and encourage more users to switch to more sustainable modes of travel and therefore lowering emissions produced by travel within the city. It is proposed that HVO is used to minimise the carbon emissions produced from vehicles working on site, and that more trees are planted than are removed. The construction will result in emissions. Milestone have recently developed a comprehensive tool that allows the design team to select materials based on levels of embodied carbon which will allow conscious decisions to be made that seek to reduce the overall impact of the scheme. Emissions will be produced by use of the welfare unit at the construction site, the use of solar power for this unit will be explored. PCC and Milestone have worked closely together to identify alternative materials and methods to reduce these carbon emissions.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 CPCA Board Meeting (19-10-22) when ready minutes will be made available on the link provided below:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2117/Committee/63/SelectedTab/Documents/Default.aspx>

11. APPENDICES

- 11.1 None.