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<b>PETERBOROUGH UNIVERSITY ACCESS – OUTLINE BUSINESS CASE – PHASE 2</b>
<b>COUNCILLOR HILLER, CABINET MEMBER FOR STRATEGIC PLANNING AND COMMERCIAL STRATEGY AND INVESTMENTS</b>
<b>March 2022</b>
<b>Deadline date: N/A</b>

Cabinet portfolio holder: Responsible Director:	Councillor Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments Director: Adrian Chapman, Executive Director Place and Economy
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: YES Unique Key decision Reference from Forward Plan: KEY/28FEB22/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	YES, Project No. PR002576

**RECOMMENDATIONS**

The Cabinet Member is recommended to:

1. Approve the award of £1,789,846 to Milestone Infrastructure Limited to deliver phase 2 of the Outline Business Case and preliminary design for the Peterborough University access scheme.
2. Authorise the Director of Place & Economy to vary the works order value when required subject to;
  - i. available budget being in place;
  - ii. the total sum of each variation not exceeding £100,000,
  - iii. the combined value of any authorised variation(s) do not exceed the total sum of £500,000.

Any variations are to be made in prior consultation with internal audit, finance and legal services.

**1. PURPOSE OF THIS REPORT**

- 1.1 This report is for Councillor Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (b).

## 2. **TIMESCALES**

2.1

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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## 3. **BACKGROUND AND KEY ISSUES**

- 3.1 The Peterborough Local Plan (adopted July 2019) sets out the overall vision, priorities and objectives for Peterborough for the period up to 2036. It includes the establishment of a University in Peterborough and is being delivered by both the Cambridgeshire and Peterborough Combined Authority (CPCA) and Peterborough City Council.
- 3.2 The Embankment area is identified as an opportunity area by Peterborough City Council and could attract significant growth in addition to the University.
- 3.3 The Fengate Phase 2 University Access Strategic Outline Business Case (SOBC) focused on the highway network near to the Embankment area, including Junction 5 of the A1139 Frank Perkins Parkway and the surrounding roads of Bishops Road, Vineyard Road, and Boongate. It also considered the southern part of Fengate and identified two options to address the existing problems of peak hour congestion and support the development of the Embankment area.
- 3.4 The two packages were similar with the main difference being that one package contained a proposed northbound off slip linking the A1139 Frank Perkins Parkway with Bishop's Road. Whilst the other package proposed dualling of Boongate West between Junction 5 and Junction 39.
- 3.5 The Strategic Outline Business Case demonstrated that both Package 1 (northbound off slip) and Package 2 (dualling of Boongate) met the scheme objectives. The Economic Assessment demonstrated that Package 1 achieved Very High Value for Money with a Benefit Cost Ratio (BCR) of 5.2. Package 2 achieved Medium Value for Money with a BCR of 1.6. However, the SOBC concluded that with further additional Economic Assessment and design work the Value for Money for Package 2 was expected to increase. Whilst Package 1 operational impact to adjacent roads could be more fully explored.
- 3.6 At its meeting of 24 March 2021, the Combined Authority Board approved the commissioning of the Package Assessment - Outline Business Case (OBC) Phase 1 to determine a preferred option.
- 3.7 The Package Assessment Report undertook further assessment of both packages, including a review of policy, design, construction, environment, operational and economic performance.
- 3.8 However, since the University Access SOBC was completed, there have been two significant developments which affect the identification of a preferred package. The first, is the almost doubling of the number of students expected to attend ARU Peterborough by Phase 3, significantly affecting the number of trips destined to the Embankment area.

The second development is a change to the assumption in parking locations for the University. In the SOBC, it was anticipated that there would be a 300-space multi-storey car park on the Embankment, with additional parking provided in a new car park on Potters Way. As part of the Phase 2 planning application, it was agreed that there would be minimal additional on-site parking at the University. The main car park for the Embankment Area, including the University, will be a new multi-storey at Wellington Street.

- 3.9 Assessment of both packages showed that Package 2, the dualling of Boongate, has a very good strategic fit and operationally performs better than Package 1. Package 2 provides a high-capacity route, which compliments the proposed multi-storey at Wellington Street and significantly reduces the number of trips on the routes around the Embankment area. Whilst Package 1, northbound off slip, delivered high volumes of traffic on to a low-capacity network and did not demonstrate a strategic fit.
- 3.10 Neither package provided significant challenges, in terms of design and construction. However, the environmental assessment showed Package 2 to perform slightly better, at Amber/Green, compared to Package 1 at Amber.
- 3.11 An Economic Assessment was undertaken on both packages using updated cost information from the latest design phase and incorporating the latest assumptions from the University Planning Application.
- 3.12 The Economic Assessment demonstrated that Package 2 provides a much greater Benefit to Cost Ratio than Package 1. Table 1 provides the updated BCRs:

**Table 1 – Updated BCRs**

<b>Package</b>	<b>BCR</b>	<b>Value for Money Statement</b>
Package 1	0.4	Poor Value for Money
Package 2	2.4	High Value for Money

- 3.13 This reverses the results from the assessment at SOBC, when Package 1 achieved a much higher value for money than Package 2. This is as a result of changes to modelling assumptions, due to either design changes or new information regarding parking provision. Most significantly, the assumption that Wellington Street Car Park will accommodate many of the future trips drastically affects the benefits that Package 1 provides, whilst Package 2 is well placed to accommodate these trips.
- 3.14 The Package Assessment Report has undergone the independent third-party review which has confirmed that the BCR and report have been appropriately developed.
- 3.15 If approved, the updated application form will be submitted to the Department for Transport (DfT) for consideration for the Major Route Network (MRN) Programme fund. DfT are already in receipt of the SOBC and the approved Package Assessment Report will now be submitted to support the updated application.
- 3.16 An initial programme for the OBC Phase 2 has it starting in April 2022 and completing July 2023. The CPCA will fund the project from its Medium Term Financial Plan (MTFP) so that the OBC Phase 2 can commence next and if funding is secured from the MRN application to DfT, it will be reimbursed back to their MTFP.
- 3.17 The updated application for DfT outlines the financial request being made, including the requirement for local funding contribution of approximately one third of the cost. Table 2 below details the costs for the OBC phase.

**Table 2 - OBC Phase 2 – funding required**

<b>Package 2</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
Funding sought from DfT	£894,922	£298,308	<b>£1,193,230</b>
Local funding	£477,462	£149,154	<b>£596,615</b>
<b>Total</b>	<b>£1,342,384</b>	<b>£447,462</b>	<b>£1,789,846</b>

- 3.18 Since 2019/20 the Council has been awarded funding towards the project by the CPCA. Table 3 below lists the funding awarded for each stage and the governance approval that was obtained.

**Table 3: CPCA funding per stage**

<b>Stage</b>	<b>Governance Approval</b>	<b>Funding Received</b>
Strategic Outline Business Case	Officer Decision Notice	£200,000
Outline Business Case – Phase 1	Officer Decision Notice	£160,000
	<b>Total</b>	<b>£360,000</b>

- 3.19 To date a total of £349,854 has been claimed from the CPCA as detailed in Table 4 below

**Table 4: CPCA funding claims**

<b>Financial Year</b>	<b>Claims</b>
2019/20	£53,382
2020/21	£139,669
2021/22*	£156,803
<b>Total</b>	<b>£349,854</b>

\*Only covers spend incurred between April to December, the first three quarters of 2021/22.

- 3.20 In order to commence the next phase of the OBC, a request was made at the January 2022 CPCA Board Meeting (26-01-22) to allocate funding of £1,789,846 toward the project. The CPCA Board confirmed their approval to award the requested amount to the project. The funding awarded would be available from April 2022. However, it has been recognised that some preparatory activities are required undertaking a month in advance to allow design to commence in April. Therefore, the CPCA have agreed to allow £25k of the budget approved (£1,789,846) to be claimed in the current financial year (2021/22). Following this decision, a request is being made to obtain the approval from the Cabinet Member for this decision notice to enable the OBC Phase 2 to begin in March 2022.

- 3.21 If the decision notice is approved 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, Phase 2 of the OBC will also be undertaken by Milestone as per the Peterborough Highway Services contract. The budget awarded will also be required to cover other project costs such as surveys. All payments to other suppliers will be reviewed and the necessary governance and procurement processes shall be followed.

#### **4. CONSULTATION**

- 4.1 An online public and stakeholder consultation has been undertaken. The feedback provided was incorporated in the Outline Business Case Phase 1.

A further consultation will be take place once the scheme design is progressed.

#### **5. ANTICIPATED OUTCOMES OR IMPACT**

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

## **6. REASON FOR THE RECOMMENDATION**

6.1 This recommendation has been made to ensure that the Council is able to effectively deliver grant funding awarded to it by the CPCA for the Peterborough University access project. Successful delivery of the funding will help the Council to obtain further funding from the Department for Transport for the next stage of the business case – Full Business Case and detailed design.

## **7. ALTERNATIVE OPTIONS CONSIDERED**

7.1 Not to deliver the scheme: This has been discounted because the existing road network in the city centre will significantly 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. Furthermore, it will also ensure the planned University development and other growth aspirations at the site can be accommodated within the highway network.

## **IMPLICATIONS**

### **8. Financial Implications**

8.1 The recommendation will commit capital expenditure of £1,789,846 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 of business case development and preliminary design would need to be expensed to the revenue account but this risk is extremely low.

### **9. Legal Implications**

9.1 There are no direct legal implications arising as a result of this decision.

For clarification the current phase of the business case does not require purchase of any third party land.

### **10. Equalities Implications**

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

### **11. Carbon Impact Assessment**

11.1 It is recognised that the current stage of the business case and design will have no impact on carbon emissions. The work to be undertaken solely focuses on completion of the outline business case and design, no adverse effect on the environment is expected as a result of this work. However, it is acknowledged that completion of the proposed highway package would result in considerable carbon emissions through use of materials and transport to site. Should the design work be awarded, proposals to reduce carbon emissions will be considered.

**12. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

12.1 None.

**13. BACKGROUND DOCUMENTS**

13.1 N/A

**14. APPENDICES**

14.1 Appendix A – CPCA Board Meeting (26-01-22) minutes – at the time of producing this report they are still being finalised. Once published they will be made available under the following link. This project was on as item 4.3 of the agenda.

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2039/Committee/63/SelectedTab/Documents/Default.aspx>

Appendix B – CPCA Transport and Infrastructure Committee (12-01-22) – Decision Summary – Item 2.2 confirming recommendation to CPCA Board to approve budget.