

<b>CABINET</b>	<b>AGENDA ITEM No. 7</b>
<b>19 DECEMBER 2022</b>	<b>PUBLIC REPORT</b>

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	
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## **A16 NORWOOD IMPROVEMENT SCHEME**

<b>RECOMMENDATIONS</b>	
<b>FROM: Executive Director Place and Economy</b>	<b>Deadline date: N/A</b>
<p>It is recommended that Cabinet authorise the issue of a services request to Milestone Infrastructure Limited, under the existing highway services contract relating to the delivery of a full business case and detailed design for the A16 Norwood dualling improvement scheme, at a cost of £1,200,000.</p>	

### **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 £1,200,000 to Milestone Infrastructure Limited to deliver to deliver a full business case and detailed design for A16 Norwood dualling improvement scheme.
- 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?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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### **4. BACKGROUND AND KEY ISSUES**

- 4.1 The Norwood and Paston Reserve urban extension are key areas of residential growth for Peterborough and have been allocated for development within the Peterborough Local Plan (adopted July 2019), generating a combined total of 2,945 dwellings in the study area.
- 4.2 To prepare for the expected growth, improvements will be required to the existing highway infrastructure. Therefore, the Cambridgeshire and Peterborough Combined Authority (CPCA) have funded development of the business case and design to identify the improvements that may be considered. The work has been commissioned to Milestone Infrastructure Limited. Initially a Strategic Outline Business Case (SOBC) was completed.

- 4.3 The SOBC concluded that a package of interventions is needed to improve congestion, safety and enable growth in the area. It outlined interventions of:
- Closure of Newborough Road access onto A47;
  - Dualling of A16 between the A16/A47/Welland Road Roundabout and the Norwood Development Access;
  - Signalisation of A16/A47/Welland Road Roundabout on the A16 southbound approach;
  - A 50-metre flare added to the A47 westbound approach to provide additional capacity for left turning traffic to Welland Road;
  - Dedicated Left Turn Lane (LTL) from the A47 eastbound to the A16 northbound.
- 4.4 The SOBC reported that the package of works had a Benefit Cost Ratio (BCR) of 3.2 demonstrating high value for money.
- 4.5 The SOBC also highlighted the interdependency of the project with the development of the Norwood Urban Extension. The package of interventions as set out above require the developers to provide a new access roundabout on the A16 and a new access junction with the Newborough Road, connected by an internal road – providing all residents with direct access to the A16.
- 4.6 Following on from the SOBC, the business case was further developed with completion of an Outline Business Case (OBC) and preliminary design. The OBC concluded that the A16 improvement scheme continues to demonstrate high value for money with a BCR of 2.9, whilst also having significant strategic value by supporting local growth, critically, the construction of the houses on the Norwood growth side.
- 4.7 The main challenges the A16 improvements seek to overcome are the peak hour congestion, the high levels of u-turning traffic from Newborough Road (limiting capacity) and a high accident rate. The primary objectives of the project include:
- Tackling congestion and improving journey times;
  - Supporting Peterborough's growth agenda;
  - Limit impact on the local environment and improve biodiversity;
  - Improve active travel routes to provide a viable alternative to private car travel; and
  - Improve road safety.
- 4.8 The package of interventions remains broadly similar to those identified at the SOBC stage, one change being to the closure of the Newborough Road, it is proposed that the access onto the A47 will be closed, rather than the junction being fully closed. The preferred package of improvements include:
- Closure of the Newborough Road Junction access onto the A47 (Southbound only).
  - Dualling of the A16 Norwood between the Norwood development roundabout and the A16/A47/Welland Road Roundabout.
  - Partial signalisation of the A16/A47/Welland Road Roundabout (A16 Approach).
  - Creation of a flare to provide a third lane on the A47 westbound approach.
  - Creation of a left dedicated left from the A47 eastbound approach to the A16 Northbound exit.
  - Realignment/reconstruction of the bridal way to the north of the A16/A47/Welland Road.
  - Roundabout, connecting the signalised crossing to Newborough Road.
  - Active travel route enhancements from the Norwood site down Welland Road and towards the city centre.
  - Landscaping including, wildflower and native tree planting.
- 4.9 The active travel and environmental scheme components are not yet as developed as the highway components – this will be addressed at the full business case stage. In addition, discussions with National Highways about exploring the feasibility of a pedestrian footbridge over the A47 are ongoing.

- 4.10 The CPCA have allocated £1.2 million for development of the final stage of the business case, the Full Business Case (FBC) and detailed design, this was approved at their November Board meeting. The FBC phase duration is expected to be approximately 18 months. The OBC financial case determines that the outturn cost for construction is approximately £13 million which includes risk allowances and inflation costs through to the end of construction in 2025. At present there is no funding available for construction, however the project will be subject to the project prioritisation review for future funding.
- 4.11 Furthermore, currently the Council's Planning Team are in discussion with one developer to secure Section 106 funding contribution. The landowner adjacent has not yet made outline planning application. However, both acknowledged the need for the internal road within the site to link the Newborough Road with the A16 development roundabout access, supporting the delivery of this package of works.
- 4.12 Since 2019/20 the Council has previously been awarded funding towards the project by the CPCA. A total of £615,714 has been received previously as grant funding as detailed in Table 1 below to complete the SOBC and OBC stages.

**Table 1: CPCA grant funding**

<b>Financial Year</b>	<b>Funding Received</b>
2019/20	£69,264
2020/21	£58,839
2021/22	£398,903
2022/23*	£88,708
<b>Total</b>	<b>£615,714</b>

\*Only covers spend incurred between April to September 2022.

- 4.13 If Cabinet approve the funding, then the work will be commissioned to Milestone Infrastructure Ltd. 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 (PHS) contract. The budget awarded may also be required to cover other costs such surveys and utility diversion design estimates. All payments to other suppliers will be reviewed and the necessary governance and procurement processes shall be followed.
- 4.14 Peterborough City Council agreed a ten year service contract with Milestone Infrastructure Limited (formerly Skanska UK Plc) in 2013. The contract is built upon a collaborative and multi-disciplined team capable of developing schemes from policy concept through to design, construction and maintenance of the existing and growing highway network. Proven good performance, measured by a number of key performance indicators, throughout the duration of the original contract. The contract has been extended for a further five years until 2028 to allow for successful continued collaboration.
- 4.15 In 2015, following performance reviews and market analysis it was agreed that the Council will utilise the service contract to deliver its major schemes (projects with a budget greater than £500,000) with an annual target of an additional £10,000,000 turnover. The increased turnover via the contract realises a number of benefits to the authority including:
- An increased turnover rebate to PCC.
  - Design and build end-to-end efficiencies.
  - Increased economies of scale.
  - Greater opportunity to retain work in the local area.
  - Security of materials and resources supply.
  - Innovation.
  - Increased efficiencies and revenue benefits for access to additional work at zero bid cost.

- 4.16 PHS has successfully developed and delivered multiple major highway schemes around Peterborough since the beginning of the contract in 2013. All of these schemes have allowed the Council to realise the benefits detailed above and continue to represent the successful partnership between the Council and Milestone Infrastructure Services.
- 4.17 All skills and competencies to deliver the scheme are available within the contract, it is therefore recommended that the existing PHS contract is used to deliver the services set out in this report for the following reasons:
- the contract is already in place following competitive procurement and is operating effectively. This saves valuable time and cost when compared to a full procurement exercise.
  - the value of the contract will contribute significantly to the major schemes annual turnover target which ensures the council are able to benefit from valuable financial incentives, protecting revenue expenditure,
  - the Council will adopt the new infrastructure at the end of the construction period and delivering all aspects of the project using a partnership that has proven to be efficient and effective allows us to minimise risk and mobilise quickly.
- 4.18 To ensure that the project remains commercially competitive and offers value for money, any specialist areas of work that may need be required from Milestone's supply chain will be subject to competitive tendering.
- 4.19 The services required are within the scope of the highway services contract.

## 5. CORPORATE PRIORITIES

- 5.1 The following outlines how the recommendation links to the Council's Corporate Priorities:

### **The Economy & Inclusive Growth**

#### 5.2 Homes and Workplaces

The highway improvement scheme will directly benefit those living in the new houses being built in Norwood and Paston Reserve developments. A total of 2,945 dwellings are expected to be completed in the study area.

#### 5.3 Environment

One of the project objectives is to limit the impact of the scheme on the environment and improve biodiversity. Wildflower, native tree planting and landscaping are already part of the scope and will be developed further in the FBC.

The previous stage of the business case (OBC) includes a carbon assessment to measure and baseline the carbon cost of the scheme early in the design process, giving an opportunity to drive carbon reduction through innovation, value engineering, alternative material use and efficient construction methods. At the moment the highest carbon contributors are road pavement, kerbs and footways and site preliminaries. Analysis of the carbon hotspots has enabled a more focussed approach to reducing the project's carbon and further work will continue during the FBC including updating the carbon assessment.

### **Our Places & Communities**

#### 5.4 Health and Wellbeing

Another objective for the project is to provide improved active travel routes enabling a viable alternative to the car. Whilst the active travel and environmental scheme components are not yet as developed as the highway components – this will be addressed in the FBC stage and are expected to have a positive effect on health and wellbeing. The active travel routes will connect to the existing walking and cycling routes in the area.

## 6. CONSULTATION

6.1 A consultation has previously been undertaken with the public and stakeholders during an earlier phase of the project. This resulted in some changes to the scheme, including the changes to the Newborough Road / A47 junction. Public consultation took place from 1 November 2021 to 13 December 2021.

6.2 This recommendation has been considered by the Corporate Leadership Team and Cabinet Policy Forum.

## **7. ANTICIPATED OUTCOMES OR IMPACT**

7.1 It is anticipated that the council will award the package of work for A16 Norwood dualling to Milestone Infrastructure Limited as outlined in this report.

## **8. REASON FOR THE RECOMMENDATION**

8.1 This recommendation has been made to ensure that the Council is able to effectively deliver grant funding awarded to it by the CPCA for A16 Norwood dualling improvement scheme. Successful delivery of the funding will help the Council to obtain further funding from the CPCA for the construction of the scheme. Delivery of the scheme will improve the capacity and operational performance of the highway network which is crucial to supporting future growth of Peterborough.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 Not to deliver the scheme: This has been discounted because the highway network around the Norwood and Paston Reserve area will suffer from heavy congestion at peak times once the development is fully occupied. 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.

## **10. IMPLICATIONS**

### **Financial Implications**

10.1 The recommendation will commit capital expenditure of £1.2m 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 a revenue account but this risk is low.

### **Legal Implications**

10.2 Part of the scheme will require access to non-highway land, particularly that which may belong to National Highways (NH). Essential improvements that form part of the preferred package are located along the A47. NH agreement and permissions will be essential to deliver the scheme and early engagement is underway.

The Peterborough Highway Services Contract was procured under the Competitive Dialogue Procedure (under regulation 18 of the Public Contracts Regulations 2006) and permits the Council to call-off further works or services which are within the scope of the contract.

No purchase of land is required to undertake the improvement scheme.

### **Equalities Implications**

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

## **11. BACKGROUND DOCUMENTS**

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

- 11.1 CPCA November Board Meeting - 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/2118/Committee/63/SelectedTab/Documents/Default.aspx>

## **12. APPENDICES**

- 12.1 None.