

CABINET	AGENDA ITEM No. 5
13 MARCH 2023	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	
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A1260 NENE PARKWAY JUNCTION 3 IMPROVEMENT SCHEME

RECOMMENDATIONS	
FROM: Executive Director Place and Economy	Deadline date: N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> Approve the award of £9,291,880 to Milestone Infrastructure Limited to deliver construction of the highway improvement scheme for A1260 Nene Parkway Junction 3. 	

1. ORIGIN OF REPORT

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

2. PURPOSE AND REASON FOR REPORT

- The purpose of this report is for Cabinet to consider and approve the award of £9,291,880 to Milestone Infrastructure Limited to deliver construction of the highway improvement scheme for A1260 Nene Parkway Junction 3.
- This report is for Cabinet to consider under its Terms of Reference No. 3.2.4, *'To be responsible for budget planning, monitoring and expenditure/savings over £500,000,'* and 3.2.5, *'To make decisions on actions relating to the awarding, assigning and termination of contracts over £500k ...'*

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- Junction 3 is a large, grade separated junction between two of Peterborough's busiest strategic roads. The junction is a crucial cornerstone of the Parkway Network, connecting the A1139 Fletton Parkway and A1260 Nene Parkway, thus providing the majority of access to south-west Peterborough. The junction is used by trips from across the Peterborough area, and experiences significant peak hour congestion on the A1260 Nene Parkway and the A1260 The Serpentine approaches. Because of its strategic location, the junction is critical to Peterborough's growth aspirations.

- 4.2 It is heavily used by trips in the southwest of Peterborough, as it accommodates eastbound, westbound, and northbound trips. A large number of facilities, businesses, and residences are also accessed by the southern arm.
- 4.3 A project has been identified to improve the junction. The project will address severe levels of peak hour congestion and delay that compromise the operational efficiency of the junction, and the surrounding road network. By addressing existing issues, and building in additional capacity, the scheme will assist with delivering growth aspirations across Peterborough. The scheme will also address severance for active travel the vicinity of Junction 3 and provide better quality and more coherent routes for pedestrians and cyclists, especially for journeys traversing the A1139 Fletton Parkway.
- 4.4 The project has been funded by the Cambridgeshire and Peterborough Combined Authority (CPCA) and to date the Strategic Outline Business Case (SOBC) and Outline Business Case (OBC) have been completed. A Cabinet Member Decision Notice (CMDN) was approved in January 2021 to award Skanska (now known as Milestone) to undertake the Full Business Case (FBC) and detailed design. In addition funding was also secured to deliver design and construction of active travel improvements on Malborne Way and Shrewsbury Avenue which are currently underway.
- 4.5 The FBC and detailed design have now been completed. The FBC demonstrated that there is a very strong strategic and economic case for investment in the Junction 3 Improvement Schemes. The improvements consist of a balanced mix of highway and active travel schemes and will provide Very High Value for Money with a benefit to cost ratio (BCR) of 6.49, whilst facilitating continued growth across Peterborough, particularly in the Hampton area. There will be a minimum 20% biodiversity net gain.
- 4.6 The FBC has been independently assessed by external assurers who have confirmed that the business case is to Green Book standard and is accurate in its conclusions.
- 4.7 Since the completion of the OBC on August 2020, the cost of construction has increased. The reason for this increase is as follows:
- Inflation: if the OBC were to be re-costed at today's rates the cost would be in the region of £1m more as costs are circa 29% higher in November 2022 than they were in May 2021. Note this does not refer to inflation between now and construction, however that is captured in the outturn cost.
 - Active travel: a decision has been made to include extra active travel elements into the scheme.
 - Construction methodology: additional cost associated with the change in construction methodology for Phase 4 (The Serpentine) where it is now planned to use piling to support the lane gain rather extend the embankment. This will reduce tree loss which is currently screening the road from adjacent residential properties and avoid extending the base of the embankment towards the properties.
 - Traffic management: approximate increase in traffic management costs.
- 4.8 The final package of schemes consists of the following components:
- Creation of a third southbound lane on Nene Parkway from Junction 31 to Junction 3.
 - Addition of a flare of 150m to A1139 Fletton Parkway westbound off-slip to create a third lane.
 - Signalisation of the Nene Parkway approach to Junction 3, with a 4-lane approach.
 - Signalisation of The Serpentine approach to Junction 3, with a 4-lane approach.
 - Creation a third lane on the A1260 The Serpentine northbound approach, extending approximately 200 metres back from Junction 3.
 - Addition of 220m of new footpath between Saltmarsh and the Phoenix School.
 - Upgrade to the Cycleway for approximately 450m between Shrewsbury Avenue and the gated access of the Nature Reserve.

- 4.9 At the January CPCA Board meeting (25/01/23) approval was obtained to award £9,291,880 for construction of the improvement scheme. Since 2018/19 the Council has been awarded funding towards the project by the CPCA. To date a total of £812,763 has been claimed from the CPCA as detailed in Table 1 below.

Table 1: CPCA funding claims

Financial Year	Claims
2018/19	£64,780
2019/20	£267,707
2020/21	£265,900
2021/22	£211,777
2022/23*	£2,599
Total	£812,763

*Only covers spend incurred between April to September, the first two quarters of 2022/23.

The funding above was used to complete the SOBC, OBC and FBC stages of the business case and detailed design.

- 4.10 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, the delivery phase of the project will remain with Milestone as per the Peterborough Highway Services contract. The budget awarded will also be required to cover other project costs such as utility diversion charges. All payments to other suppliers will be reviewed and the necessary governance and procurement processes shall be followed.

5. CORPORATE PRIORITIES

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

The Economy & Inclusive Growth

Homes and Workplaces

The highway improvement scheme will directly benefit those living and working in the Ortons and Hampton. Junction 3 connects many homes and businesses and serves as a gateway to south-west Peterborough, intersecting two of the city's busiest strategic roads (A1139 and A1260) and serving eastbound, westbound and northbound trips.

Environment

Successful delivery of the construction phase will significantly improve vehicle access, as well as pedestrian and cycle routes. Improved infrastructure for the latter two will encourage more users to switch to more sustainable modes of travel and therefore lower emissions produced by travel in and around the Junction 3 area. It is proposed that HVO is used to minimise the carbon emissions produced from vehicles working on site, and that where there is loss of green spaces we will look to achieve 20% increase in biodiversity. 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 but the scheme will not result in additional street lighting. Furthermore, PCC and Milestone have worked closely together to identify alternative materials and methods to reduce these carbon emissions.

Our Places & Communities

5.4 Health and Wellbeing

The highway improvement scheme seeks to encourage active travel by improving the footpath and cycle routes in the area. Doing so will increase those walking and cycling and offer subsequent health and wellbeing benefits of exercise. Therefore, the delivery of the scheme will have a positive impact on public health.

6. **CONSULTATION**

6.1 An online public and stakeholder consultation exercise was undertaken, the results of which were reviewed and then incorporated into the business case and design.

6.2 The scheme has gone through several rounds of internal approval during the development of the business case and is fully funded by CPCA.

7. **ANTICIPATED OUTCOMES OR IMPACT**

7.1 It is anticipated that the Council will award the package of work for A1260 Nene Parkway Junction 3 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 A1260 Nene Parkway Junction 3 improvement scheme. Successful delivery of the funding will help the Council to obtain further funding from the CPCA in future for other highway schemes. 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 Junction 3 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.

10. **IMPLICATIONS**

Financial Implications

10.1 The recommendation will commit capital expenditure of £9.3m 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 would need to be expensed to a revenue account but this risk is low.

Legal Implications

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

All of the highway improvement works planned for Junction 3 will be on existing highway land owned by the Council. The current decision does not require purchase of any third-party land.

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 January Board Meeting (25/01/23) - 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/2119/Committee/63/SelectedTab/Documents/Default.aspx>

12. APPENDICES

- 12.1 None.

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