

<b>CABINET</b>	<b>AGENDA ITEM No. 6</b>
<b>13 MARCH 2023</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	
Contact Officer(s):	Lewis Banks, Transport & Environment Manager	Tel. 01733 317465

## **EASTERN INDUSTRIES ACCESS – CONSTRUCTION OF 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:</p> <ol style="list-style-type: none"> <li>1. Approve the award of £6,665,696 to deliver construction of Eastern Industries access improvement scheme. Contract to be awarded to Milestone Infrastructure Limited to deliver the construction phase of the scheme as per the Peterborough Highway Services contract.</li> </ol>	

### **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 £6,665,696 to Milestone Infrastructure Limited to deliver construction of the highway improvement scheme for Eastern Industries.

2.2 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?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
---	-----------	----------------------------------	------------

### **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 Storeys 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 business cases 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 was the final phase of the business case. The business case identified and assessed the following schemes that would be delivered as part of the construction phase:

- Traffic signal improvements at the junction of Edgerley Drain Road / Storeys Bar Road / Vicarage Farm Road, on the Vicarage Farm Road and Storeys Bar Road northbound approaches.
- Traffic signal improvements at Junction 7 of the A1139 Frank Perkins Parkway (A1139 Frank Perkins Parkway / Oxney Road / Eastfield Road).
- Creation of a mini roundabout at Oxney Road / Newark Road.
- Improvements to Newark Road footpath.
- Creation of a new pedestrian crossing over Oxney Road, between Junction 7 and the Oxney Road / Sainsburys Roundabout.

4.7 The findings presented in the FBC were split into five dimensions. Each dimension is summarised below:

#### 4.8 Strategic Dimension

The Strategic Dimension considered the policy context in which the scheme has been developed as well as the need for intervention. A number of challenges are needed to be overcome that will compromise local growth aspirations if left unaddressed including:

- High levels of peak hour congestion and delay
- High accident rates
- Poor active travel provision within the Fengate area

#### 4.9 Economic Dimension

The Economic Dimension demonstrated that the Fengate Access Study Improvement schemes achieve a Benefit to Cost Ratio of 4.95 and offers Very High Value for Money.

#### 4.10 Financial Dimension

The Financial Dimension demonstrated that the scheme has been robustly costed and fits with the funding allocation available. The scheme Outturn Cost is £7,531,120 (as detailed in Table 1 below) which includes risk allowance and inflation costs through to the end of construction in 2024 (with post scheme monitoring to begin in 2025).

**Table 1: Construction funding allocation**

Description	Financial Year	Funding
Active Travel Scheme Construction	2022/23	£550,424
Utility payments	2022/23	£315,000
Highway Scheme Construction	2023/24	£6,665,696
	<b>Total</b>	<b>£7,531,120</b>

4.11 Commercial Dimension

The Commercial Dimension demonstrated that the schemes can be reliably procured and implemented through existing channels whilst ensuring value for money. Delivery and supervision will be delivered by Peterborough Highway Services.

4.12 Management Dimension

The Management Dimension demonstrated that the Council, through the Peterborough Highway Services Framework, has the necessary experience and governance structure to successfully manage the delivery of the schemes. Construction is due to be completed by March 2024.

4.13 As shown in Table 1 above, the CPCA awarded funding in the current financial year to deliver construction of two active travel schemes, Newark Road footpath and Oxney Road pedestrian improvements as well as funding to allow payments to be made to affected utility companies that will need to divert their apparatus whilst the construction works are underway. Due to delay in processing the diversion requests and making the payments, funding was requested in advance of the main construction phase to enable the works to commence on site as early as possible in 2023/24.

4.14 At the January CPCA Board meeting (25/01/23) approval was obtained to award the remaining £6,665,696 to enable construction of the main highway improvement schemes. Since 2017/18 the Council has been awarded funding towards the project by the CPCA. To date a total of £1,005,353 has been claimed from the CPCA as detailed in Table 2 below.

**Table 2: CPCA funding claims**

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*	£92,802
<b>Total</b>	<b>£1,005,353</b>

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

4.15 The funding above was used to complete the SOBC and FBC stages of the business case and detailed design. As mentioned earlier in the report, the remaining construction works are due to commence in 2023/24.

4.16 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**

### **5.2 Homes and Workplaces & Jobs and Money**

The Fengate Access Improvement Scheme will help improve access to Red Brick Farm development site which is expected to create 3,000 jobs in the Eastern Industries study area. The proposed development would make a substantial contribution towards Peterborough's employment land supply which will assist in retaining and enabling existing businesses to expand and could encourage new businesses to move to the area.

### **5.3 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 within Eastern Industries. 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 but 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 and where new street lights are added these will be to the specification of existing LED energy efficient lighting used in the city. 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 Fengate Access Improvement Scheme will have a positive implication for public health. The schemes planned will improve the air quality, public health and quality of life by improving sustainable modes of travel infrastructure. The scheme will also improve road safety through better junction design, including removal of opposed right turns, and enhanced active travel provision.

## **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 Eastern Industries Access Improvement scheme 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 Eastern Industries Access Improvement scheme. Successful delivery of the funding will help the Council to obtain further funding from the CPCA for construction of other future schemes. Delivery of the scheme will improve the capacity and operational performance of the highway network which is crucial to supporting the 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 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.

## 10. IMPLICATIONS

### Financial Implications

- 10.1 The recommendation will commit capital expenditure of £6,665,696 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 Eastern Industries' access improvements will be delivered as a package of schemes jointly funded by the CPCA and Developer Contributions secured under S.106 Town and Country Planning Act 1990 against the Red Brick Farm site. Currently, discussions are ongoing between the Council and developers concerning the S106 Agreement intended to be finalised prior to construction beginning in 2023/24. If developer contributions are not secured by a S.106 Agreement, the Council will have no legal recourse to recover monies expended in excess of the CPCA funding from the Developer.

The highway improvements are not planned to take place on private land therefore there are no legal restrictions on the Council's powers as Highway Authority to execute the planned works.

### 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.

This page is intentionally left blank