

CABINET	AGENDA ITEM No. 8
11 MARCH 2024	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director Place and Economy	
Cabinet Member(s) responsible:	Cllr Gavin Eley, Cabinet Member for Infrastructure, Environment and Climate Change	
Contact Officer(s):	Amy Petrie, Principal Project and Programme Officer	Tel. 452272

2024/2025 TRANSPORT CAPITAL PROGRAMME OF WORKS

RECOMMENDATIONS	
FROM: Executive Director Place and Economy	Deadline date: March 2024
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the proposed Transport Capital Programme of works for 2024/2025 and authorise direct award of the works to Milestone Infrastructure Limited, utilising the existing Peterborough Highways Term Service Contract, for a total sum not exceeding £6,830,000. 2. Authorise the direct award of the following Major Projects to Milestone Infrastructure Limited, utilising the existing Peterborough Highways Term Service Contract, to complete the following projects: <ul style="list-style-type: none"> • Cygnet Bridge, works not exceeding a value of £6,000,000 • City Centre Terror Mitigation, works not exceeding a value of £1,160,000 • Extreme Weather highways improvements, works not exceeding a value of £1,000,000 3. Authorise the Executive Director, Place and Economy, to vary the value of Major Projects works orders when required, subject to; <ol style="list-style-type: none"> i. available budget being in place. ii. the reason for the variation is for genuinely unforeseen reasons leading to fundamental changes in the project plan and target cost, and that such details along with a breakdown of where costs have been varied shall be made available in full on request. the total sum of each variation not exceeding £50,000; and iii. the combined value of the works order and any authorised variation(s) do not exceed the annual budgets advised above. Order variations in excess of £50,000 are to be made in consultation with the council's Internal Audit and Finance Teams. 4. Authorise the Executive Director, Place and Economy, to vary the scope of the order when required to cover other related highway works subject to the limits imposed by items 2 and 3 above and with the approval of the Executive Director of Resources, Director of Law and Governance (or authorised officers). 	

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 to consider and authorise;
- the 2024/2025 Transport Capital Programme of Works using Peterborough Highway Services Term Service Contract.
 - Direct award of the Major Schemes detailed above using the Peterborough Highway Services Term Service Contract.
- 2.2 This report is for the Cabinet to consider under its Terms of Reference No. 3.2.5

To make decisions on actions relating to the awarding, assigning and termination of contracts over £500k, and waiving or granting exemptions to Contract Regulations where contracts are over £500k, with the exception any time-critical, operational, or routine 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
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4. BACKGROUND AND KEY ISSUES

4.1 Transport Capital Programme of Works.

This report seeks approval from Cabinet for the 2024/2025 Transport programme of works and its delivery via the Peterborough Highway Services term service contract. Total funding for 2024/25 has been confirmed as £6,830,000.

In line with the Local Transport Plan (LTP) requirements a 3 year programme has been included for consideration. Funding for 2025/2026 and 2026/2027 is yet to be confirmed but is expected to be similar to the 2024/2025 allocation. Please note we are only seeking approval for the 2024/2025 programme and any future programmes beyond the 2024/2025 financial year are indicative at this point and may change.

The budget for the combined programme will be received by way of five DFT grants:

Highways Maintenance block, £1,921,000. Allocated by the DFT using a needs-based formula. The assessment considers a number of criteria including; total road length by classification and number, the number of bridge structures and whether they require significant maintenance, strengthening or replacement, and the number of street lighting columns and associated lighting infrastructure over 40 years old.

Pothole funding, £1,921,000. Allocated by the DFT as per their budget in 2020, to be used to maintain and upgrade the highway.

Integrated Transport block, £1,418,000 allocated to support highway enhancements, improve road safety statistics, increase public transport patronage, ease traffic congestion, improve accessibility and tackle pollution.

Highway maintenance Incentive funding, £480,000. Allocated by the DFT to resurface the highway (including the repair of potholes).

Additional highways funding £1,090,000, announced by the DFT in 2023 for local road resurfacing and wider maintenance activity on the local highway network.

Funding Sources for 2024/2025 Transport Programme of Works	
Highways Maintenance block	£1,921,000
Pothole funding	£1,921,000
The Integrated Transport block	£1,418,000
Highway maintenance Incentive funding	£480,000
Additional DFT funding	£1,090,338
Total	£6,830,338

Following receipt of the funding, it is proposed that the grants are distributed amongst five programmes of work. These programmes will enable delivery of a balanced programme of enhancements that allow the Council to fulfil its statutory duties and corporate priorities. The proposed funding split for the sub programmes is detailed below.

Programme	Value
Annex 1 Integrated Transport Improvements	£1,235,000
Annex 2a Highways Improvements	£584,000
Annex 2b Pothole Prevention Improvements	£3,011,338
Annex 3 Street Lighting Improvements	£800,000
Annex 4 Bridge Improvements	£1,200,000
Total	£6,830,338

The five programmes will deliver a number of projects that have been identified using a comprehensive assessment methodology to prioritise the varying needs of the highway network.

Further clarification of proposed works can be found in appendices 1 – 4.

- Appendix 1 – Integrated Transport Improvements
- Appendix 2 a&b – Highways Improvements and Pothole Prevention Improvements
- Appendix 3 – Street Lighting Improvements
- Appendix 4 – Bridge Improvements

The works will be delivered by Milestone Infrastructure Limited not in exceedance of the £6,830,000 budget allocated to deliver the overarching Transport Programme of works.

Major Projects

Following approval of the 2024/2025 capital budget Peterborough Highway Services have been allocated £8.1m to deliver three schemes that are considered to be corporate priorities. The projects and their corresponding budget allocations are detailed below:

- £6,000,000, funded by the Towns Fund, to construct a new footbridge over the river Nene to provide a sustainable and suitable link between Fletton Quays and the Embankment site. Currently connectivity between the two sites is poor and the new footbridge will provide an important pedestrian and cycle link between sites of residential, employment and educational use.

- £1,160,000 to install physical measures in the highway following an audit that identified areas of weakness in case of a terrorist attack on the city centre. The measures will ensure that the city centre is resilient to such incidents, protecting the city's residents and businesses.
 - £1,000,000 to repair and resurface highway damaged as a result of extreme weather conditions causing the highway to fail. Failure to maintain the highway for safe travel will potentially close key routes creating a knock-on effect around the city on roads that may be less suitable for increased volumes of traffic.

Works orders will not be issued in excess of the budget values detailed above and experienced Project Managers within Highways will oversee the delivery.

Milestone Infrastructure are Peterborough City Council's highways partner. Milestone have successfully completed a number of major schemes for Peterborough City Council since 2013 and their demonstrable ability to deliver and positive performance has resulted in a 5 year contract extension commencing in October 2023.

This report seeks approval to directly award the works to Milestone Infrastructure via the existing Peterborough Highways Term Service Contract.

Issuing the works directly to Milestone allows significant efficiencies in both time and money as a new and full procurement exercise is not required. The recommendation gives confidence in the quality of the work and will contribute to the revenue rebate agreed within the Peterborough Highways term service contract when specified income thresholds are achieved.

5. CORPORATE PRIORITIES

5.1

1. *The Economy & Inclusive Growth*

The Transport Capital Programme of Works and the three major schemes enables the Council to maintain and improve the highway asset across the city and deliver, where resources allow, improvements to support active travel, passenger transport and improve accessibility. The works will ease congestion and promote walking, cycling and the use of public transport; reducing the need to travel by car. The programmes will both improve the connectivity and resilience in the city and ensure that existing routes and facilities are maintained appropriately.

There will be a negative carbon impact on immediate completion of the works. The nature of the projects means that there will be reasonably high levels of carbon embodied within the materials and working methods. However, failure to approve the recommendation in the Cabinet Report will prevent a number of schemes that make improvements to sustainable travel options being delivered. Without new sustainable travel options, such as the new footbridge, improved pedestrian and cycle infrastructure and upgraded bus stops it is unlikely that people will change their behaviours and transfer to sustainable travel options and the volume of private car journeys within the city will remain or increase.

2. *Our Places & Communities*

The Transport Capital Programme of Works and the three identified major schemes are wide ranging and will benefit the residents of Peterborough in varying degrees; elements of work included within this programme will directly address road safety issues, new/improved links will be created to areas of employment, education and leisure and the highway network will be maintained in a safe and passable condition ensuring that communities are well connected to the services that they require. In addition to the stand alone schemes the programme enables the Council to maintain the highway asset and complement the work of wider regeneration and improvement schemes for example the Lincoln Road regeneration scheme.

3. *Prevention, Independence & Resilience*

The grants for the Transport Capital Programme of Works are split over 5 key areas to ensure that a balanced programme of projects support connectivity to areas of education, leisure,

employment and residence for all users of the highway network. Preventative works ensure the resilience of the highway network and allows it to continue to support growth within the authority and maintain journey times across the authority area.

Similarly, the Major Schemes have been considered corporate priorities in ensuring that Peterborough has a highway network that supports its current needs whilst preparing for future growth.

4. Sustainable Future City Council

A number of the projects in the Transport Capital Programme of Works and specifically the provision of Cygnet Bridge focus on improving accessibility to sustainable travel options and improving sustainable travel facilities, improving air quality, health and reducing congestion. In addition to the projects that primarily focus on improving and increasing sustainable travel we aspire to use, where possible, sustainable materials and delivery methods. Carbon usage is one of a suite of sustainability key performance indicators measured for the Peterborough Highway Services (PHS) contract that have a direct impact on any contract extensions with the current contractor, Milestone Infrastructure Services.

Further information on the Council's Priorities can be found here - [Link to Corporate Strategy and Priorities Webpage](#)

6. CONSULTATION

- 6.1 Consultation for specific schemes will take place where necessary prior to works commencing on site.
- 6.2 Budget consultation for the Major Schemes was completed during the approval process of the Medium-Term Financial Strategy decision reference FEB24/CAB/82.

7. ANTICIPATED OUTCOMES OR IMPACT

- 7.1 It is anticipated that the Transport Capital Programme of Works and the recommended delivery pathway will be approved.

Delivery of the projects detailed in the 2024/2025 programme of works will contribute to the transportation aims of both the Council and the Government by encouraging and enabling travel by sustainable modes. Further, it will facilitate sustainable growth, improve accessibility to key services, provide safer roads and reduce congestion, leading to an improved environment and better air quality.

- 7.2 It is expected that the recommendation to use the existing Term Service Contract to deliver the Major Schemes will be approved, offering efficient use of budget. Approval will ensure that the highway network remains safe for use, maintains efficient journey times across the authority area and continues to support sustainable travel options.

Furthermore, approval of the recommendation will significantly reduce procurement time and allow contractors to be on site as soon as possible. Early occupation of site will increase programme certainty over the period of the funding.

8. REASON FOR THE RECOMMENDATION

- 8.1 Approval of the proposed programme of works ensures that the Council is utilising grant funding efficiently and effectively to deliver a balanced programme of projects that improve the highway whilst also fulfilling its statutory duty to maintain the highway in a safe and passable condition. Full programme details can be found in annexes 1-4 of this report.

Failure to utilise the grants will result in poor highways networks that require significantly more reactive works at greater revenue cost. Furthermore, failure to demonstrate spend and delivery may result in lower funding amounts in the future.

8.2 Following the budget approval in February there is corporate capital funding allocated in 2024/2025 to deliver:

- * Cygnet Bridge Footbridge
- * City Centre Terror Mitigation
- * Extreme Weather Highways Repairs and Resurfacing

Failure or delays delivering these projects will have significant impact on the City's transport networks and severely impact resident's ability to move around the city. In severe cases we may have to result to closing roads and key pedestrian links until a time when the works can be completed.

Using the existing Peterborough Highway Services Term Service contract allows significant procurement efficiencies in both time and money and ensures that the works are completed by a partner that has genuine interest in the city.

Furthermore, there is a clause in the PHS contract that agrees a monetary rebate for Major Schemes should certain throughput thresholds be achieved.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 The grants that make up the £6,830,000 awarded for the 2024/2025 programme of works are specifically awarded to Local Highway Authorities for the maintenance and improvement of its highway asset in order to comply with its absolute duty under the Highways Act 1980 to "maintain the highway network in a safe condition for all highway users".

The proposed Transport Capital Programme is designed to target essential works and reduce the overall financial burden on the Council. In addition to this the following implications could arise from failing to undertake this work:

- Quantifiable reduction in revenue efficiency income from Highways contract
- Predicted increase in insurance claims from the public
- Increase in complaints from the public and members
- Negative impact on the economy of Peterborough due to impact on hauliers etc of deteriorating highway network and associated congestion
- Unless alternative funding is secured to offset any reduction the failure to maintain the network could cause risk to life-
- Poor sustainable links to key services and facilities which may lead to increased car journeys and decreased air quality

9.2 The decision to allocate the budget to the three major highways schemes has already been approved, subsequently there is now an expectation that the schemes will be delivered within budget during the 2024/2025 financial year.

Alternative options include following a traditional procurement route with a full tender exercise or utilising a framework. Both options would take a significant amount of time which would impact heavily on the ability to deliver the project within the funding window.

10. IMPLICATIONS

Financial Implications

- 10.1 The Transport Capital Programme of works is funded solely from external grants. There is no corporate borrowing and therefore no revenue borrowing costs to the Council.

Failure to approve the programme and deliver the projects may result in future revenue pressures due to the need to complete more reactive unplanned maintenance activities.

- 10.2 The Major Projects and their corresponding budgets were included in the approved 2024/2025 capital budget. There are no additional spend implications beyond those already approved.

Utilising the existing PHS Term Service Contract to deliver the major schemes will trigger higher volume rebate thresholds which will contribute to delivering the budgeted rebate at the end of the financial year.

Legal Implications

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

Equalities Implications

- 10.3 No individual community, individual or group is expected to be disproportionately affected by the proposed programmes of work,

11. BACKGROUND DOCUMENTS

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

- 11.1 None.

12. APPENDICES

- 12.1 Appendix 1 – Integrated Transport Improvements
Appendix 2 – Highways Improvements and Pothole Prevention Improvements
Appendix 3 – Street Lighting Improvements
Appendix 4 – Bridge Improvements

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