



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.1
25 OCTOBER 2017	PUBLIC REPORT

PRIORITY TRANSPORT SCHEMES

1.0 PURPOSE

- 1.1. The purpose of this report is to ask the Board to agree funding for the next tranche of priority transport schemes.
- 1.2. These schemes will support the wider Combined Authority objectives by improving transport connectivity, reducing congestion, enabling housing growth and/or supporting economic growth.
- 1.3. This report sets out a longer term pipeline of work to ensure that there is a steady flow of transport interventions that are effectively planned and well considered over the current and future Mayoral cycles. This longer term approach is vital to building confidence; developing and positioning projects for future private sector investment; and enabling accelerated delivery by providing delivery partners with visibility of future work.
- 1.4. It should be noted that these schemes are in addition to the strategic transport and infrastructure schemes approved previously by the Board. The pipeline of schemes also excludes those projects currently being promoted, funded and/or developed independent of the Combined Authority. This includes the Greater Cambridge Partnership (GCP), Highways England and Network Rail.

<u>DECISION REQUIRED</u>	
Lead Member:	Charles Roberts, Transport & Infrastructure Portfolio Holder
Lead Officer:	Keith McWilliams, Transport & Infrastructure Director
Forward Plan Ref: 2017/019	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> a) Agree a total budget allocation of £4.53m, comprising £3.53m in 17/18 and £1.0m in 18/19 for the rolling programme of priority transport and infrastructure schemes b) Note the intention to deliver this 4 year programme of priority transport and infrastructure schemes, and the indicative level of future investment. c) Note the governance and budget management arrangements, and the intention to bring the pipeline back to the Board on an annual basis. In the future it is intended to maintain and develop this programme beyond the current 4 year period. 	<p>Voting arrangements</p> <ul style="list-style-type: none"> (a) Two thirds majority of the constituent council members to include Cambridgeshire County Council and Peterborough City Council (the LEP does not vote) (b) Simple majority of all voting members (c) Simple majority of all voting members

2.0 CONTEXT

Vision and Context

2.1. The Combined Authority has set out a bold vision for the Cambridgeshire and Peterborough area:

- (a) Doubling the size of the local economy
- (b) Accelerating house building rates to meet local and UK need
- (c) Delivering outstanding and much needed connectivity in terms of transport and digital links
- (d) Providing the UK's most technically skilled workforce
- (e) Transforming public service delivery to be much more seamless and responsive to local need

- (f) Growing international recognition for our knowledge based economy
- (g) Improving the quality of life by tackling areas of deprivation

2.2. It is recognised that transport investment will play a critical role in meeting these objectives through:

- (a) Increasing network capacity (both road and rail)
- (b) Improving connectivity, particularly around access to employment and housing
- (c) Unlocking new developments
- (d) Improving journey time and/or journey time reliability
- (e) Providing greater mode choices such as walking and cycling, private car and public transport

Interdependency with Other Transport Priorities

2.3. Previously the Board has approved study work on a number of strategic transport and infrastructure projects as outlined below. It is envisaged that further funding will be requested as these studies draw to a close and need to move into the next stages of their development.

Strategic Project	Board Approval
A10 Upgrade	June 2017
M11 Extension	June 2017
A47 Dualling	June 2017
Wisbech Garden Town	June 2017
Mass Rapid Transport	July 2017

2.4. Whilst these strategic projects are vitally important, it is also recognised that there are other transport interventions that will support the Combined Authority objectives. Such projects may be promoted, funded and developed by a variety of different bodies which may or may not include the Combined Authority. For example, Highways England and Network Rail are responsible for developing infrastructure on their strategic network and, in many cases, will fund such schemes independently of the Combined Authority. Similarly, the GCP has secured significant funding to deliver infrastructure within the Cambridge City and South Cambridgeshire area. Whilst the Combined Authority has a strong interest in and will work proactively with others to promote and influence the outcomes of such projects, it is not a funding contributor at this time. Such projects have, therefore, been excluded from the pipeline of work presented in this paper. A sample of some of the important projects being undertaken by others within the Combined Authority area is outlined below.

Scheme	Current Owner
A1307 Three Campuses to Cambridge	GCP
Cambourne to Cambridge	GCP
City Access	GCP
Western Orbital	GCP

Ely North Junction	Network Rail
East-West Rail	Network Rail
Girton Interchange	Highways England
M11 Smart Motorway Upgrade	Highways England
A1 East of England	Highways England
Oxford to Cambridge Expressway	Highways England
A47 Wansford to Sutton Dualling	Highways England
A47 Guyhirn Junction Improvements	Highways England

2.5. Whilst the Combined Authority is not currently a funder of the above scheme it does not preclude doing so in the future. Under such circumstances funding requests will be brought before the Board.

Rationale for the Development of the Pipeline

2.6. Prior to the formation of the Combined Authority successive reductions in revenue budgets has meant that Cambridgeshire County Council and Peterborough City Council have not been able to invest sufficiently into the development of these potential schemes. As a result there are now only a relatively small number of schemes at, or approaching, 'shovel ready' status. With the increased funding flexibility available to the Combined Authority, it is well placed to invest into the development of a longer term pipeline of schemes.

2.7. Development of such a pipeline will deliver a number of benefits:

- It will provide a steady flow of transport improvements over the short, medium and long term
- It provides greater opportunity to consider local issues and spread investment around the Combined Authority area
- Early investment in the development of schemes places the Combined Authority in a strong position to bid for and secure additional funding as alternative sources become available. Similarly, it helps to position projects for potential future private sector investment
- It provides confidence to the market and enables accelerated delivery by providing delivery partners with visibility of future work.

2.8. Initially much of this work will be in exploring the feasibility of such schemes and developing business cases. However, these are essential steps in delivering these projects over the short, medium and longer term.

2.9. It is also recognised that, as an organisation, the Combined Authority is in its infancy and that existing priorities will be developed and new priorities will emerge as the Combined Authority matures. The approach set out in this paper is, therefore, an interim solution until such time as the vision and strategic priorities are confirmed and a number of supporting documents, such as the Non-Statutory Spatial Plan, the new Local Transport Plan and the Economic Investment Strategy, are in place.

3.0 PRIORITY TRANSPORT SCHEMES

Overall Approach

- 3.1. The Combined Authority has worked closely with partnering organisations to develop an extended list of schemes for potential investment. These schemes have been drawn from a wide ranges of sources including existing Cambridgeshire and Peterborough Investment Plans, Local Plans, Market Town Strategies, proposals previously identified within the Devolution Deal, and other emerging priorities.
- 3.2. Due to the large number of schemes under consideration it has been necessary to take a pragmatic and scaled approach to the evaluation, selection and prioritisation of these schemes as summarised below.

Extended List This represents the full list of transport projects considered but excluded the strategic projects that are already underway. Each potential project was given a clear statement on scope and the benefits it might deliver. Projects have been assessed qualitatively with selected projects carried forward to the 'Long List'

Long List Projects on the 'Long List' have been subjected to a much more robust and quantitative assessment as outlined in the following section 'Evaluation Criteria'.

Short List Following the evaluation of the 'Long List', the 'Short List' represents those projects which are being put forward for funding at this time. Whilst the quantitative assessment is a critical consideration in the decision to shortlist a scheme, judgement has been applied to take account of wider issues such as achieving greater geographical parity of investment. See Appendix A

Evaluation Criteria

- 3.3. The evaluation criteria is closely aligned with the Five Case Business Case Model. This is consistent with current advice from HM Treasury, as set out in the Green Book, and the Combined Authority's own Assurance Framework. However, this has been adapted to reflect the needs of the Combined Authority. For example, the Strategic Case is explicit in the consideration of unlocking housing and employment opportunities as these will drive the local economy.
- 3.4. Each of the four 'cases' have been given equal weighting but sub-divided as outlined below. For further details of the evaluation matrix please refer to Appendix B.

Case	Criteria
Strategic	<ul style="list-style-type: none">• Reduce Congestion• Unlock housing and jobs

Economic

- Scale of Impact
- Value for Money

Financial

- Other Funding Sources / contributors

Management

- Delivery Certainty
- Project Risks
- Stakeholder Support

- 3.5. It is important to note that the total scoring for each project has been determined with and without 'Delivery Certainty'. This approach has been taken to ensure that schemes that are at a very early stage in their development are not ruled out due to the lack of project definition or certainty. This helps to avoid the scenario whereby such schemes do not get selected or funded because they are ill-defined and, as a result, never progress beyond the concept stage. Nevertheless, in developing the 'Short List' a balanced approach has been required to progress schemes at early development, design and construction phases.
- 3.6. The Commercial Case, which relates to procurement strategy, has not formed part of this evaluation as many of the schemes are insufficiently developed at this time. Instead the procurement strategy will be determined on a case by case basis as individual schemes gain greater definition. It is anticipated that these schemes will be delivered using existing procurement routes via Cambridgeshire County Council, Peterborough City Council and Network Rail. However, other procurement routes will be considered where appropriate.

Governance

- 3.7. The scheme evaluations have been undertaken by Cambridgeshire County Council and Peterborough City Council for their respective areas. However, this has been subjected to oversight from the Combined Authority.
- 3.8. Whilst all shortlisted projects have been subjected to the evaluation process outlined above, this is only deemed appropriate for the release of funding for the project development phase. All funding provision beyond this will be subject to the completion of a satisfactory and proportionate Business Case. Business Cases for schemes with a value greater than £5m must be fully WebTAG compliant.
- 3.9. Throughout the delivery of the shortlisted projects, costs and progress against programme will monitored on a monthly basis.
- 3.10. The Shortlist will be reviewed and revised on an annual basis in recognition that the case for investment in particular schemes may change as they gain definition, and as new priorities may emerge. It is envisaged that the Board will approve a rolling four year programme on an annual basis which will provide the opportunity to review and revise investment decisions and supported projects.

Shortlisted Schemes

3.11. The £3.53m funding for 17/18 will support the delivery of the following schemes:

Scheme	Activity in 17/18	17/18 Funding
A505 Corridor Study	Progress Feasibility Study & Business Case	£0.15m
Wisbech Access Study Packages	Progress Design	£0.2m
March Junction Improvements Package	Progress Feasibility	£0.1m
Cambridgeshire (Rail) Capacity Study	Complete Feasibility Study	£0.3m
Cambridge South Station	Progress Feasibility Study & Business Case	£0.75m
Soham Station	Progress Feasibility Study	£0.25m
Huntingdon Strategic River Crossing	Complete Feasibility Study	£0.2m
Regeneration of Fenland Railway Stations (March, Manea & Whittlesea)	Progress Design	£0.5m
A142 Capacity Study	Complete Capacity Study	£0.15m
A14 Junctions Improvement Feasibility Study	Complete Feasibility Study	£0.15m
Peterborough Sustainable Travel	Progress Implementation	£0.05m
A605 Oundle Road Widening – Alwalton to Lynch Wood Business Park	Progress Design	£0.025m
Coldham's Lane Roundabout Improvements	Progress Feasibility Study	£0.1m
A141 Capacity Enhancements around Huntingdon	Progress Feasibility Study	£0.25m
Peterborough Schemes & Studies	Progress Feasibility Studies	£0.1m
A1260 Nene Parkway Junction 15 Improvements	Progress Feasibility Study	£0.1m
Eastern Industries Access Phase 1	Progress Feasibility Study	£0.15m

3.12. The £1.0m funding for 18/19 is to complete the Feasibility and Business Case development of Cambridge South Station. This is in addition to the £0.75m outlined above. Discussions are currently underway with Central Government and other local partners to agree a funding package which could potentially see a further £8.25m invested into the development of this project. This funding agreement has the potential to greatly accelerate the delivery of the station and support on the ongoing development of the Cambridge Biomedical Campus.

3.13. There are also a small number of key projects which, whilst not requiring investment during 17/18, will still be actively pursued by the Combined Authority during the current financial year. The Combined Authority will engage with potential delivery partners to secure funding and commitment so that these schemes can progress early in 18/19. Such projects will include the A10 Foxton Level Crossing and the A505 Corridor Study.

3.14. The schemes listed in 3.11 are part of a wider pipeline of work which has been selected for funding by the Combined Authority to enable development and/or delivery to take place during the current Mayoral period. This pipeline of schemes is listed below with further details provided in Appendix A. It is important to note that these schemes are not listed in priority order and exclude those schemes referenced in 2.3 and 2.4.

No	Projects	Location	Project Phase being Funded
1	Wisbech Access Study Packages	FDC	Design & Construction
2	March junction improvements package	FDC	Feasibility, Design & Construction
3	Cambridge South Station	Camb City	Options Appraisal & Business Case
4	Cambridgeshire (Rail) Capacity Study	Various	Feasibility
5	Soham Station	ECDC	Feasibility, Design & Construction
6	A10 Foxton Level Crossing	SCDC	Feasibility
7	A47 Junction 18 Improvements	PCC	Construction
8	Huntingdon Strategic River Crossing	HDC	Feasibility
9	A505 Corridor Study	SCDC	Feasibility & Business Case
10	Peterborough Sustainable Travel	PCC	Implementation
11	A605 Whittlesey Access Phase 2 – Stanground Access	PCC	Design & Construction
12	A605 Oundle Road Widening - Alwalton to Lynch Wood Business Park	PCC	Design & Construction
13	Regeneration of Fenland Railway Stations (March, Manea & Whittlesea)	FDC	Design & Construction
14	St Neots River Great Ouse northern crossing / cycle bridge	HDC	Design & Construction
15	A14 Junctions Improvement Feasibility Study	ECDC	Feasibility

16	A1260 Nene Parkway Junction 15 improvements	PCC	Feasibility, Design & Construction
17	A141 capacity enhancements around Huntingdon	HDC	Feasibility, design and construct
18	Smart City Network	PCC	Feasibility
19	A1260 Nene Parkway Improvement Jn 32 to Jn 3 (Fletton Parkway)	PCC	Feasibility & Design
20	Coldham's Lane roundabout improvements	Camb City	Feasibility, Design & Construction
21	Eastern Industries Access Phase 2 – Fengate	PCC	Feasibility
22	A142 Capacity Study	ECDC	Feasibility
23	Peterborough Schemes and Studies	PCC	Feasibility
24	Eastern Industries Access Phase 1 - Parnwell Way	PCC	Feasibility & Design
25	A16 Norwood dualling	PCC	Feasibility & Design
26	A47 Junction 18 Pedestrian Footbridge	PCC	Feasibility

3.15. An indicative sequencing of the delivery of the above schemes is detailed within Appendix A. However, this may be subject to change due to a wide range of factors including the phasing of 3rd party funding; emerging opportunities to bid for and/or secure Central Government funding; critical linkages between schemes; and the findings from emerging Business Cases.

3.16. The following funding conditions are to be noted:

- (a) Where other funding contributions are stated in Appendix A, the Combined Authority reserves the right to reconsider its support should such funding not be forthcoming
- (b) The A47 Junction 18 scheme is funded subject to the local Highway Authority retaining Rhubarb Bridge in the short and medium term and seeking funding for the replacement of this structure in the longer term
- (c) Combined Authority support for the St Neots Footbridge is provisional subject to further discussions on the preferred option

Outcomes and Return on Investment

3.17. Each of the projects and schemes identified above will be subject to the principles and approach set out in the Combined Authority's Assurance Framework. Specifically this requires that each item is supported by a standard business case appraisal. The business case will set out very clearly the details of cost and benefits.

3.18. Whilst this programme of investment will provide transport benefits in terms of improved connectivity and journey times, it will also act as a key enabler for housing growth, job creation and economic growth.

3.19. The transport interventions proposed will contribute towards a number of wider Local Plan commitments and specific development sites. As an investment programme there will be significant returns including across all proposed schemes the enabling of more than 50,000 new jobs and over 50,000 new homes.

4.0 FINANCIAL IMPLICATIONS

4.1. This proposal requests approval for the committed investment of £4.53m outlined below. An indication of future unsecured investment for the overall programme is also provided. This is currently estimated at £52.28m. Both the Committed Investment and Indicative Investment have already accounted for 3rd party contributions where these are known, see Appendix A

	17/18	18/19	19/20	20/21	Total
Committed Investment	£3.53m	£1.0m			£4.53m
Indicative Investment		£15.40m	£18.40m	£18.48m	£52.28m
				Total	£56.81m

4.2. The Committed Investment will be drawn down from the annual Combined Authority budget settlement of £20m. However, this approach is undesirable in the medium and long term as it will not deliver the substantial levels of investment necessary to achieve the Combined Authority's wider objectives.

4.3. It is anticipated that the funding shortfall of £52.28m will be secured from a variety of sources. These will include:

- Central Government funding
- Contributions from local partners, such as the Highway Authorities, the GCGP LEP and the Greater Cambridge Partnership
- Private sector investment
- Combined Authority funding

4.4. Supporting bullet points 3 and 4 above is the ongoing development of a Combined Authority Investment Strategy. Options being considered include:

- **Borrowing against capital** – The Government has committed to grant Mayoral Combined Authorities the ability to borrow against their capital devolved funds, thereby enabling a more flexible approach to investment and multiplying the total capital available
- **Recycling capital** – Recycling capital means recovering and reinvesting the benefits into other projects where possible, thereby maximising the ability to leverage private sector inward investment and socio-economic outputs

- **Investment by way of debt or equity** – The funding approach towards individual projects will draw upon a blend of public and private sources of capital to efficiently bring projects forward. Capital can be supplied in the form of debt (fixed term basis, typically secured against the asset) or equity (recoverable via an agreed coupon and/or profit share should predetermined criteria be met).
- 4.5. This innovative approach to funding will not entirely remove the need to draw upon the £20m allocation in the future as it may still be necessary to fund early development work. However, this will be explored as part of the Investment Strategy development.
- 4.6. Flexibility is requested with regard to reasonable redistribution of funding between projects and between the 17/18 and 18/19 financial years, subject to the overall total not being exceeded. This is to provide operational flexibility with any changes agreed between the Chief Executive and the Section 151 Officer.

5.0 LEGAL IMPLICATIONS

- 5.1. The Combined Authority assumed the role of the Local Transport Authority by virtue of Article 8 of the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority must exercise the statutory functions of the local transport authority under Part II Local Transport Act 2000 and Parts 4 & 5 of the Transport Act 1985 so as to achieve effective and efficient transport within the area.
- 5.2. Part II of the Transport Act 2000 introduced new requirements for the preparation of local transport plans, replacing transport policies and programmes. Each local transport authority must (a) develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within its area; (b) carry out its functions so as to implement those policies.
- 5.3. The transport priorities identified in this report are evidence of the Combined Authority exercising its role as local transport authority. In some instances these priorities are already identified within the Local Transport Plan approved by this Authority earlier this year, however as noted above, some projects have been introduced into the pipeline as the Combined Authority has been able to unlock additional funding to bring forward these important schemes. Where such projects are not already identified within the Local Transport Plan the Combined Authority may rely upon its general power of competence to fund these projects.
- 5.4. The general power of competence was granted to the Combined Authority by virtue of Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 and enables the Combined Authority to rely upon the powers under Chapter 1 Part 1 of the Localism Act 2011.
- 5.5. For the purposes of procurement each of these schemes is procured and contracted separately and in most cases the Combined Authority will rely upon its own constitutional contracting rules for the procurement and letting of these

contracts. This ensures the appropriate openness and transparency in the procurement process. Where contracts are expected to meet the EU procurement values (currently £200K approx..) the Combined Authority will rely upon an appropriate framework to source suitable expertise.

- 5.6. As each of these schemes will be procured in accordance with rules which ensure propriety, openness and value for money, state aid rules are not engaged.
- 5.7. As these individual schemes will not exceed £500K in value, they would ordinarily not be subject to call-in by the scrutiny committee. Taken collectively, however, the decision to fund a pipeline of projects has significant value and has therefore been considered a key decision in order to ensure that this important decision to create a pipeline of projects is given the necessary public oversight.

6.0 SIGNIFICANT IMPLICATIONS

- 6.1. There are no other statutory matters to bring to the Board's attention.

7.0 APPENDICES

- 7.1. Appendix A – Short List
- 7.2. Appendix B – Evaluation Criteria

<u>Source Documents</u>	<u>Location</u>
None	

