



TRANSPORT AND INFRASTRUCTURE COMMITTEE	AGENDA ITEM No: 2.6
6 MARCH 2020	PUBLIC REPORT

LANCASTER WAY A10/A142 IMPROVEMENTS

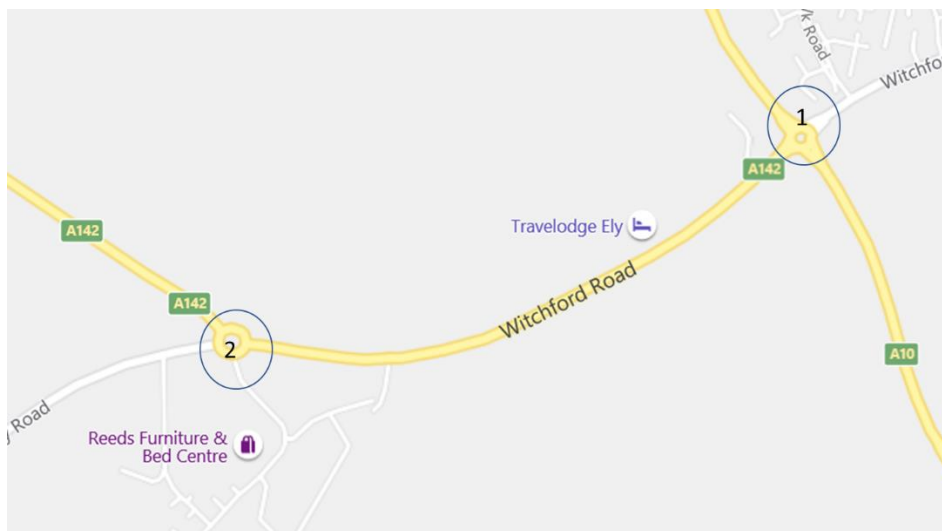
1.0 PURPOSE

1.1. This report presents a summary of the position on the A10/A142 roundabout scheme to date. This scheme is being managed by Cambridgeshire County Council and funded through developer contributions supported by Business Board funding. It recommends that the Committee consider a further Combined Authority financial contribution to enable the scheme to proceed and agree to flexibility about project scope in order to manage remaining budget risks.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Director of Delivery & Strategy Paul Raynes
Forward Plan Ref:	Key Decision: No
The Transport and Infrastructure Committee is recommended to: (a) Note the report. (b) Recommend to the Combined Authority Board a new additional budget of £ 1,168,243.20 from the single pot allocation to reflect current cost estimate, including a 20% risk allowance. (c) Recommend flexibility to reduce the scheme scope to a single roundabout if cost estimates increase further.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1. In 2014 Grovemere properties were allocated a s106 agreement to enable the Lancaster Way Enterprise Business Park to expand beyond 30,000ft². This s106 agreement has a time constraint upon it which is at risk of expiring which is why this paper is being brought before the committee now. The risk of this project not receiving additional support is that the enterprise zone will be unable to expand and the potential job opportunities will be lost to the area.
- 2.2. Following the planning application and subsequent s106 in 2014, with funding approved by the Greater Cambridge Partnership (GCP) with a funding agreement issued in September 2016.
- 2.3. An independent feasibility study was undertaken by Grovemere Properties in 2017/18 and subsequent funding approval at the Business Board and Combined Authority Board in January 2019, plus the Cambridgeshire County Council Economy and Environment Committee of May 2019. To incorporate the design of the Lancaster Way (circle 2 below) roundabout in addition to the BP roundabout (Circle 1 below) The study's scope was extended to include the Lancaster Way roundabout (circle 2) to improve PM peak access.



- 2.4. The proposed improvements will enable the delivery of the enterprise zone at Lancaster Way business park second phase extension:
- generating between 2,518 Full Time Equivalent (FTE) jobs and 3.194 FTE jobs during the operational phase, once the full extent of the development is built out.
 - Of the 2,518 to 3,194 FTE jobs 1,888 and 2,395 FTE jobs would be created within East Cambridgeshire.

2.5. The cost breakdown for the project is currently:

Scheme Elements	Original budget	Current Cost estimate
BP Roundabout	£900,000.00	£1,500,000.00
Lancaster Way roundabout	£500,000.00	£500,000.00
Total		£2,000,000.00

2.6. Current funding contributions

Scheme Elements	Contributor	Amount
BP Roundabout	Grovemere (LGF Approved funds)	£863,464.00
	East Cambridgeshire District Council	£130,000.00
BP roundabout total		£966,464.00
Lancaster Way	Cambridgeshire County Council Scheme development Fund	£60,000.00
Lancaster Way Total		£60,000.00
Combined Total		£1,026,464.00

2.7. The current cost estimate does not however allow for the following unknown risks:

- (a) Cadent Gas main at the BP roundabout, current load calculations being undertaken to establish if this gas main needs concrete cover protection.
- (b) Final design cost estimate following Tier 2 supplier procurement not available till mid May 2020

2.8. The current cost estimate shortfall is estimated at £973,536. But it would be reasonable to assume that this could increase due to the outstanding gas main risk and higher supplier costs post procurement.

2.9. It is requested therefore that the increased budget requested be the current cost estimate shortfall plus a 20% risk value, therefore amounting to a total sum of £1,168,243.20.

2.10. It is then requested that should the costs increase further the project scope is reduced to focus on the development of the the BP Roundabout alone to enable the fulfilment of the s106 agreement and the continued development of the Lancaster Way Enterprise Zone business park.

3.0 NEXT STEPS

- 3.1. Recommendations for approvals are being sought by this committee now to avoid any delays in programme delivery as there is no opportunity for CA Board Decision between the end of March 2020 and early June, when this scheme needs to be commencing construction.
- 3.2. A value for money statement will be produced and any funding approval recommended by this committee will be subject to a BCR of greater than 1 confirmed to the Chief Finance Officer before any funds are released.
- 3.3. The funding contribution will be paid to CCC. The County Council will continue to be responsible for managing and delivering the project.
- 3.4. The loading calculations for HGV turning over the existing gas main need to be undertaken by Cambridgeshire County Councils contractor and submitted to Cadent (Gas Utility Company) for their approval to proceed with or without cover protection, this will be reported on within March 2020.
- 3.5. Detailed design will be finalised by the Tier 1 contractor by 18 May 2020, to enable the procurement of the Tier 2 contractor to deliver the schemes. Construction is due to commence in June 2020. The project board chaired by Andrew Preston (CCC) who will ensure mitigations are considered and enforced to ensure no slippage to programme.

4.0 RECOMMENDATIONS TO THE COMMITTEE

- 4.1. The Transport Committee is invited to note the progress made to date.
- 4.2. The Transport Committee is requested to recommend the Combined Authority Board to approve a new budget of £1,168,243.20, from the single pot allocation, to be paid to CCC as a contribution to the total project cost.
- 4.3. The Transport Committee is recommended to approve flexibility to decrease scope to the BP roundabout alone, should costs increase above the approved budgets.

5.0 FINANCIAL IMPLICATIONS

- 5.1. The new budget request of £1,168,243.20 from the single pot allocation is to support the funding from the other sources to enable this scheme to proceed.
- 5.2. The budget will be spent in its entirety in the 2020/21 year
- 5.3. The original GCGP funding did not require a business case, however a value for money statement will be produced and the Chief Finance Officer will need to be satisfied that the BCR is in excess of 1 prior to the release of funds. This is a requirement under the Combined authority Assurance framework :

- (a) *allowing greater through flow of strategic passenger or freight traffic, or where there is evidenced strategic value associated with achieving the Devolution Deal ambitions of GVA or housing growth (for example providing main line rail access to support the growth of left behind areas)*

6.0 LEGAL IMPLICATIONS

- 6.1. There will be a funding agreement associated with the new budget with commitments to ensure delivery to programme.

7.0 SIGNIFICANT IMPLICATIONS

- 7.1. None

8.0 APPENDICES

- 8.1. None

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