



<b>TRANSPORT AND INFRASTRUCTURE COMMITTEE</b>	<b>AGENDA ITEM No: 2.3</b>
<b>6 MARCH 2020</b>	<b>PUBLIC REPORT</b>

## **ST NEOTS RIVER GREAT OUSE NORTHERN CROSSING CYCLE BRIDGE**

### **1.0 PURPOSE**

1.1. The report summarises work on the St Neots Foot and Cycle Bridge, and Regatta Meadows to date, confirms that the projected construction costs for the project now exceed the allocated budget and seeks a recommendation from the Transport and Infrastructure Committee to the Combined Authority Board that the scheme should not proceed as it no longer meets the requirements for Value for Money set out in the Combined Authority's Assurance Framework.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>James Palmer, Mayor</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Strategy and Delivery Director</b>
<b>Forward Plan Ref: Insert ref no on FP</b>	<b>Key Decision: No</b>
<p>The Transport and Infrastructure Committee is recommended to:</p> <p>(a) Note the report.</p> <p>(b) Recommend to the Combined Authority Board that work on the St Neots Foot and Cycle Bridge should cease and the project be removed from the Combined Authority's Business Plan for 2020-21.</p> <p>(c) Recommend to the Combined Authority Board that the remaining funding allocated to the project be re-allocated to projects within the St Neots Masterplan.</p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

## **2.0 BACKGROUND**

- 2.1. The Combined Authority is committed to the future prosperity and success of every market town in the county and is investing in making this a reality through the masterplan programme. This programme was piloted in St Neots as part of the Mayor's 100 Day Plan and the St Neots Masterplan for Growth was subsequently approved by the Combined Authority Board in October 2017. The St Neots Town Centre Cycle Bridge is not identified as a key project in the Combined Authority's Business Plan 2020-21.
- 2.2. At its meeting on 27 June 2018 the Combined Authority Board approved the £4.1m package of funding to deliver the first phase of the St Neots Masterplan. This first phase included a £3.1m contribution from the Combined Authority to the £4.6m scheme to provide a new foot and cycle bridge in St Neots town centre together with improvements to the riverside area.
- 2.3. At that time the Project demonstrated that it was affordable, and represented good value for money, whereby the benefits were greater than the cost of investment.

## **3.0 CURRENT POSITION**

- 3.1. Cambridgeshire County Council (CCC) received a feasibility report from the appointed contractor which indicated that the overall construction cost for the bridge would now be in the region of £7.4m, exceeding the allocated budget, by £3.7m.
- 3.2. A review of the project was undertaken by CCC which determined that the scheme had limited scope for value engineering or bringing the construction costs back in line to the approved budget.
- 3.3. This review also demonstrated that the increase in costs had resulted in a Benefit Cost Ratio (BCR) of less than one. Consequently, the project no longer meets the requirements of the Combined Authority's value for money assessment criteria.
- 3.4. Moreover, the low BCR makes further bids for monies being unviable for the Combined Authority and its partners. Therefore, funding is not available from other sources to close the funding gap.

## **4.0 RECOMMENDATION**

- 4.1. The Combined Authority's assurance framework requires projects to have a BCR value of 2 and above unless there are exceptional circumstances which have not been identified in this case.

4.2. The challenge provided to the construction cost by Cambridgeshire County Council has not revealed any scope to reduce cost and therefore, the BCR remains less than one, making any bids to close the funding gap from the County Council or other partners not viable

4.3. The Committee is requested to approve the following recommendation,

- (a) Note the report.
- (b) Recommend to the Combined Authority Board that work on the St Neots Foot and Cycle Bridge should cease and the project be removed from the Combined Authority's Business Plan for 2020-21. The funding should be reallocated for projects within the St Neots Masterplan.

## **5.0 FINANCIAL IMPLICATIONS**

5.1. The footpath improvements were anticipated to take place this financial year (2019/2020) at a CPCA contribution of £600,000. The construction of the footbridge was expected take place next financial year (2020/21) with a £2.5m investment from the Combined Authority. Totalling £3.1m contribution.

5.2. The existing budget for the project consists of £1.2m from s106 developer contributions and £2.5m (excluding cost for the footway improvements on the waterfront) from Cambridgeshire and Peterborough Combined Authority. Compared to a total budget forecast of £7.4m leaving a shortfall of £3.7m.

5.3. The forecast of £7.4m comprises construction costs of £6.4m, the associated costs of £1m including completion of detailed design, planning and CCC project costs.

5.4. The project spend to date is £800k funded from the £1.2m s106 funding allocation.

## **6.0 LEGAL IMPLICATIONS**

6.1. The Combined Authority's Assurance Framework imposes requirements as to Value for Money for Transport Schemes. Section 5 of the Framework includes the following as part of paragraph 5.8.2:

*The Combined Authority will make proportionate and appropriate assessments of all business cases to ensure that any scheme below High VfM (BCR below 2, and accounting for significant non-monetised and key uncertainties), has evidenced strategic value, either to the benefit of achieving advancement of the devolution ambition, economically or housing, or national or wider regional importance for*

*unlocking strategic passenger or freight movement through the combined authority region.*

**7.0 OTHER SIGNIFICANT IMPLICATIONS**

7.1. The area where the bridge is to be located is a Conservation Area and therefore, Environmental Impact Assessments are required.

**8.0 APPENDICES**

8.1. There are no appendices

<u>Background Papers</u>	<u>Location</u>
None	None