



Fengate Phase 1 Strategic Outline Business Case

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 November 2020
Public report:	Yes
Lead Member:	Mayor James Palmer
From:	Paul Raynes Director of Delivery & Strategy
Key decision:	Yes
Forward Plan ref:	KD2020/079
Recommendations:	The Combined Authority Board is recommended to: a) Approve the Strategic Outline Business Case; b) Approve the commencement of the Full Business Case and detailed design stage; c) Approve the drawdown of £270,000 from the budget within the Medium-Term Financial Plan to develop the Full Business Case and detailed design.
Voting arrangements:	A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils, to include the Members appointed by Cambridgeshire County Council or Peterborough City Council, or their Substitute Members

1. Purpose

- 1.1 To report work undertaken to date and request approval to proceed to the Full Business Case and detailed design stage for the Fengate Phase 1 project.

2. Background

- 2.1 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.

- 2.2 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 B8 (Storage and Distribution) units and B2 (General Industry) units with ancillary B1 office space.
- 2.3 The Fengate Access Study Area focuses on the north of Fengate, where the Red Brick Farm site is located. The study area is shown in the figure below. 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 Storey's Bar Road.
- 2.4 The study area is illustrated within Figure 1 below.

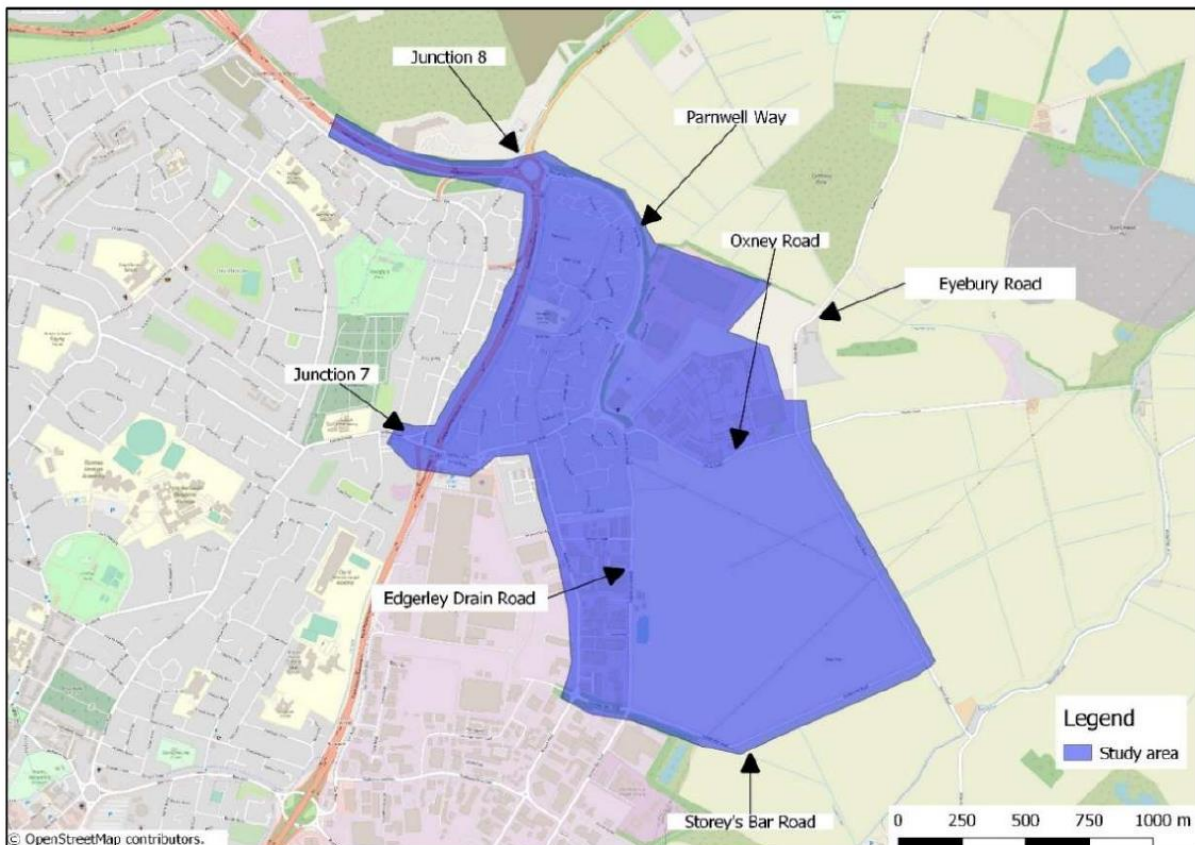


Figure 1 – Fengate Access Study Area

3. The Strategic Outline Business Case

- 3.1 The Strategic Case has considered the policy context in which a scheme for this location has been developed. As well as policy, the need for intervention is explained, which includes existing peak hour congestion and associated delay that compromise local growth aspirations.
- 3.2 The primary objectives are:
 - (a) Tackle congestion and reduce delay;
 - (b) Support Peterborough's growth agenda and facilitate development of the Red Brick Farm site.

- 3.3 The secondary objectives are:
- (a) Positively impact traffic conditions on the wider network: Positively impact the performance of local routes impacted by the traffic and congestion in and around Fengate;
 - (b) Improve Road Safety: Reduce personal injury accidents and improve personal security amongst all travellers;
 - (c) Limit impact on the local environment and improve biodiversity.

3.4 The Economic Case demonstrates that the scheme achieves a Benefit Cost Ratio (BCR) of 2.7 and offers a high value for money, confirmed by the Independent Review. A breakdown of the scheme BCR is provided in Table 1 below.

3.5 Department for Transport guidance indicates that a BCR greater than 2 is considered to give high value for money. Equally the Combined Authority's Assurance Framework says that a scheme will require to be above 2.0 before investing.

Table 1: Benefit Cost Ratio Assessment

Value (£'000s) 2010 prices, benefits discounted to 2010	
Present Value of Benefits (PVB)	15,166
Present Value of Costs (PVC)	5,609
Benefit Cost Ratio	2.7

3.6 It is anticipated that the package of schemes will be jointly funded by the Combined Authority and Section 106 Developer Contributions secured from the Red Brick Farm Site. The discussions between Peterborough City Council and Red Brick Farm are well advanced and is considered likely that a developer contribution will be secured towards the cost of the package of schemes but the contribution is yet to be agreed.

3.7 The improvements within Package 1 consist of the following and is further illustrated in Figure 2:

- Creation of a roundabout at the junction of Oxney Road / Edgerley Drain Road;
- Traffic Signal Improvements (including an initial Smart Junctions Trial) at the junction of Edgerley Drain Road / Storey's Bar Road / Vicarage Farm Road;
- Traffic Signal Improvements at Junction 7 of the A1139 Frank Perkins Parkway (A1139 Frank Perkins Parkway / Oxney Road / Eastfield Road);
- Creation of a third lane southbound on the A15 Paston Parkway approach to Junction 8 (A1139 Frank Perkins Parkway / A15 Paston Parkway / A1139 Eye Road / Parnwell Way).



Figure 2 – Package 1 Locations

3.8 During the detailed design stage further consideration will also be given to:

- Tree planting and landscaping;
- Improvements to localised sustainable transport routes;
- Use of sustainable material in construction;
- Compliance with the Combined Authority’s net zero policy;
- Compliance with the Combined Authority’s doubling nature policy; and
- Compliance with the Combined Authority’s digital infrastructure policy.

3.9 The package of schemes will add capacity to the highway network, addressing existing problems of peak hour congestion, and help to facilitate planned employment growth within Fengate.

3.10 The Financial Case demonstrates that the scheme has been robustly costed in accordance with the Department for Transport Technical Appraisal Guidance (TAG) for this stage of assessment.

3.11 This Scheme Outturn Cost (including risk and inflation) is £5.8 million. This includes a 20% Risk Allowance, which is comprised of 10% construction risk and 10% COVID-19 related risk. As discussed the level of developer contribution will be fully reported and accounted for within the Economic Case and Financial Case of the Full Business Case.

3.12 The Commercial Case demonstrates that the scheme can be reliably procured and implemented through existing channels whilst ensuring value for money in delivery of the scheme. All phases of the scheme, including detailed design, construction and site supervision will be delivered by Peterborough Highway Services (PHS), who have been

responsible for all planning and design work undertaken on the Fengate Access Study to date.

- 3.13 The Management Case demonstrates that Peterborough City Council, through the PHS Framework, has the necessary experience and governance structure to successfully manage the delivery of the package of schemes.
- 3.14 Peterborough City Council, through PHS, have successfully delivered the following highway improvement schemes in recent years. The Staniland Way Roundabout has been included as an example of the ability to deliver due to the similarities it bears to the proposed roundabout at Oxney Road / Edgerley Drain Road.
- 3.15 It is also expected that the delivery of the scheme will be managed by a Project Team led by a Peterborough City Council Project Manager and consisting of all the key project delivery partners. The Project Team will be responsible for the daily running of the project, coordinating with all key stakeholders, and managing the delivery programme.
- 3.16 The existing PHS Project Board will be used to oversee the continued development and delivery of the scheme by the Project Team, and to make key decisions relating to the delivery of the project. The Project Board will be supported by technical specialists, and key stakeholders will be invited to attend as necessary.

4. Next Steps

- 4.1 A summary of the key milestones are provided in Table 2 below.

Table 2: Summary of key milestones

Timescale	Milestone Activity
December – March 2021	Detailed Design undertaken and Full Business Case start. Stakeholder and public consultation to commence
April – May 2021	Full Business Case to be reviewed by CPCA, funding sought for scheme construction
June – October 2021	Construction starts with Oxney Road / Edgerley Drain Road Roundabout (estimated 14 week construction programme)
October 2021 – October 2022	Construction of remaining schemes within the Package 1.

- 4.2 An online public and stakeholder consultation exercise on the final scheme will be undertaken following approval, and prior to completion of the Detailed Design. No residents are directly affected by this scheme.
- 4.3 We recommend to the CPCA Board that we proceed to the next stage of the Full Business Case and detailed design phase. Sufficient detail has been developed at the Strategic Outline Business Case to accelerate the programme to the detailed design and Full Business Case stage.

5. Financial Implications

- 5.1 This scheme outturn cost including risk, 20% risk allowance (10% construction risk and 10% COVID-19 related risk) is approximately £5.8 million. This represents the amount required by Peterborough City Council to deliver the scheme. Further design work and investigation at the Full Business Case stage will provide further certainty to scheme costs.
- 5.2 It is also anticipated that the package of schemes will also be jointly funded by a Section 106 Developer Contribution secured from the Red Brick Farm development site. The details in relation to amount has yet to be secured but agreement will be undertaken during the Full Business Case.
- 5.3 Within the Medium-Term Financial Plan (MTFP) there is £5.8m available (£1.0m in 20/21 and £4.8m in 21/22) 'subject to approval' from the Combined Authority Board.
- 5.4 It is recommended therefore to ask the CPCA Board for the approval of the drawdown of £270,000 from the subject approval budget for the Detailed Design and production of the Full Business Case.

6. Legal Implications

- 6.1 The recommendations accord with CPCA's powers under Parts 3 and 4 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (S1 2017/251).
- 6.2 The meeting shall be conducted in accordance with Parts 2 and 3 of the Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations 2020.

7. Appendices

- 7.1 Appendix 1 – Fengate Phase 1 Strategic Outline Business Case Executive Summary

Accessible version available on request from
Democratic.Services@cambridgeshirepeterborough-ca.gov.uk

8. Background Papers

- 8.1 [CA Board Report March 2018](#)