



TRANSPORT & INFRASTRUCTURE COMMITTEE

Date: Friday, 15 May 2020

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

11:00 AM

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

Virtual Meeting
[Venue Address]

AGENDA

Open to Public and Press

Part 1: Governance Items

1.1 Apologies for Absence

1.2 Declarations of Interest

At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.

1.3 Minutes - 29th April 2020

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1.4 Public Questions

Arrangements for public questions can be viewed in Chapter 5, Paragraphs 18 to 18.16 of the Constitution which can be viewed here - [Cambridgeshire and Peterborough Combined Authority: Constitution](#)

Part 2: Delivery

2.1 Lancaster Way - Further Cost Overrun

11 - 16

Part 3: Date of Next Meeting

8th July 2020 - TBC

The Transport & Infrastructure Committee comprises the following members:

Mayor James Palmer

Councillor Ian Bates

Councillor Peter Hiller

Councillor Nicky Massey

Councillor Jon Neish

Cllr Joshua Schumann

Cllr Chris Seaton

Councillor Aidan Van de Weyer

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

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CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY TRANSPORT AND INFRASTRUCTURE COMMITTEE: MINUTES

Date: Wednesday 29th April 2020

Time: 3.00pm – 4.45pm

Present: James Palmer (Mayor and Chairman), Councillors Ian Bates, Peter Hiller, Nicky Massey, Jon Neish, Chris Seaton, Joshua Schumann and Aidan Van de Weyer

Apologies: None

73. APOLOGIES AND DECLARATIONS OF INTERESTS

None received.

74. MINUTES – 6TH MARCH 2020

The minutes of the meeting held on 6 March 2020 were agreed as a correct record subject to the amendment for clarity of Councillor Van de Weyer as Deputy Leader of South Cambridgeshire District Council only. Clarification was provided by officers regarding the Local Transport Plan Sub-Strategy and explained that the Transport and Infrastructure Committee at its last meeting agreed that a sub-strategy was required and it was for the Combined Authority Board to approve the sub-strategy.

The Mayor reminded Members that at its last meeting, the Transport and Infrastructure Committee agreed that he should commission new bus services between Cambourne and key employment sites in Cambridge. The Mayor informed the Committee that the necessary preparations had been made and tender documents had been developed. However, due to the current circumstances regarding COVID-19 it was highly unlikely that a tender exercise would produce a sensible subsidy figure. The decision was therefore taken to pause the tender until the path to emerging from the COVID-19 lockdown was clearer.

75. PUBLIC QUESTIONS

Five public questions were received relating to the Transport Impacts of COVID-19 and Coldhams Lane Roundabout Progress Report the responses for which are published at the following link: [Public Questions and Responses](#).

There were three questions relating to the Budget and Performance Update report and Bus Reform Task Force received from the Overview and Scrutiny Committee that were taken when the relevant report was presented. The questions and responses are published at the following link: [Overview & Scrutiny Questions and Responses](#).

76. COMBINED AUTHORITY FORWARD PLAN – APRIL 2020

It was resolved to note the Forward Plan.

77. TRANSPORT IMPACTS OF COVID 19

In advance of officers introducing the report, the Mayor informed the Committee of discussions that had taken place with the Buses Minister, Baroness Vere, which had led to the creation of a package of emergency legislation for bus services across England, known as the Covid-19 Bus Service Support Grant (CBSSG). The grant covers some of the losses of bus companies and is intended to try and ensure that after lockdown small local bus enterprises are not forced to close down due to lack of cash-flow, resulting in a lack of contractors. It is anticipated that the Combined Authority area should benefit by approximately £5 million from this scheme.

The Mayor explained further that, Combined Authority officers spotted an anomaly in the scheme as it did not cover cases where the County Council (CCC) and Peterborough City Council (PCC), not the bus operators, faced the financial risk from lower fare income. The Mayor had therefore written to the Minister on that point and as a result, the Department for Transport agreed to amend the scheme so CCC and PCC could also benefit from the grant scheme where they were liable for lost fares.

The Committee received a report and presentation (Appendix A) that considered the impacts of the COVID-19 pandemic on the transport network of Cambridgeshire and Peterborough and to make recommendations to the Combined Authority Board on how the Authority can maximise the opportunities that may arise following end of the pandemic.

During discussion of the report Members:

- Commented that although car usage would have decreased, it was unlikely to have decreased in rural areas as the distances from villages to market towns was too great to walk or cycle. It was therefore essential to be mindful of that when planning for the easing of lockdown restrictions.
- Drew attention to the consideration needed for social distancing on the high street, particularly how people will queue for shops and how space is created in order to allow that to happen safely.
- Expressed concern regarding the potential for people to lose confidence in buses and the impact of social distancing on bus services. Bus operators would need to be encouraged to provide hand gel and other mitigations to provide security for the public.
- The Mayor informed the Committee that he had met with Cambridgeshire and Peterborough BID in order to formulate a plan to assist in bringing forward social distancing for shopping. The buses issue was a significant one and it was likely that

people would only return to using buses slowly. Car parks was a particular area of focus for a means to facilitate social distancing where only every other space operated and therefore limited the number of people shopping at any one time.

- Commented that it was clear that public transport was going to take a considerable amount of time to return to normal and highlighted the opportunity to encourage cycling. While it was not for everyone it did help to reduce levels of motorised traffic. Attention was drawn to the need for careful travel planning as larger employers returned to work in order to achieve social distancing and avoid grid-lock with additional private cars on the road.
- Expressed concern for the long term impact of increased online shopping on market towns where people may not return to high street shopping following the end of lockdown restrictions.
- Highlighted the role of retailers who had implemented social distancing measures during the crisis to be able to provide advice and support to the sector when planning for their eventual reopening.
- Commented that planning was very difficult as there were many unknown factors and risk mitigation would need to be multi-faceted in its approach.

The Mayor concluded that although at this stage much was unknown there were measures such as staggering working time and opening times being explored that would seek to address issues regarding social distancing and the Mayoral Forum would be utilised to explore and develop those ideas.

The Mayor proposed, seconded by Councillor Schumann to move the recommendation.

It was unanimously resolved to:

Consider the impacts of the COVID-19 pandemic and give officers guidance on how the Authority should approach the transport opportunities and challenges that may arise following the end of the current lockdown.

78. BUDGET AND PERFORMANCE UPDATE

The Committee considered the Budget and Performance Update. In presenting the report the Committee's attention was drawn to the revenue and capital position, together with the projects where variances were reported. Members noted that future iterations of the report will contain some movement in activity in order to address underspends.

It was resolved unanimously to:

Note the April budget and performance monitoring update

79. A10 JUNCTIONS AND DUALLING: PROGRESS UPDATE

The Committee received a report that provided an update to the Committee on the progress of the Strategic Outline Business Case (SOBC), and on the position following the Chancellor's Budget announcements, in relation to the A10. The report also sought the view of Members regarding the next steps to progress the project into the Outline Business Case (OBC) stage.

The Monitoring Officer advised the Committee that there was an error on the report relating to the voting arrangements and the requirement was a simple majority.

During discussion:

- A Member welcomed the report and its recommendations. Clarity was sought regarding the initial number of 77 options, questioning how quickly they would be refined. Officers explained that work had been ongoing for a number of months and the 77 options represented a mixture of small elements that were linked. Officers had been working closely with Cambridgeshire County Council as the Highways Authority and would require a close relationship going forward. Options would be refined over the coming 6 to 8 weeks as the Strategic Outline Business Case develops and would be presented to the Committee.
- Emphasised the importance of the A10 as a route and sought clarification regarding paragraph 5.2 of the report, specifically whether it was £2m over 2 years. Officers explained that the £2m was a proportion of the cost over the 2 years. The figure represented a worst case scenario. However, it was important that it was included in the Medium Term Financial Plan (MTFP). As the project progresses a further report would be presented to the Committee that included the financial detail.
- Councillor Schumann proposed, seconded by Councillor Bates to move the recommendation

It was unanimously resolved to:

- a) Note the SOBC stage progress
- b) Note details of Budget 2020 announcement in relation to MRN and LLM applications of July 2019
- c) Agree the proposed approach to progression to OBC stage

80. BUS REFORM TASK FORCE

The Committee received a report that sought approval for the development of an Outline Business Case (OBC) which would then recommend a preferred course of action. The bus reform project sought to identify ways in which to deliver bus services within Authority's area that met the aspirations of the citizens.

During discussion Members:

- Congratulated officers on the work that been undertaken and expressed support for the options presented in the report.
- Clarified whether the requirement for an auditor would be for a fully independent auditor or whether the existing external auditor for the Combined Authority could be used. Officers informed the Committee that following legal advice it had been confirmed that the existing external auditor could be used which was welcome as local knowledge was vital in assessing the options. There was a legal requirement for an audit if there was a move to a franchised model.
- Questioned how the final recommendation could be influenced. Officers explained that permission was being sought through the report to identify which option(s) would be selected for audit and then public consultation before going live.
- It was proposed by Councillor Seaton and seconded by Councillor Neish that the recommendation be put to the vote.

It was unanimously resolved to:

- a) Note the progress of the project to date
- b) Agree that the project should proceed to the writing of an Outline Business Case
- c) Delegate to the Director of Delivery and Strategy the procurement and appointment of an independent auditor

81. COLDHAMS LANE ROUNDABOUT PROGRESS REPORT

Members considered a report that summarised the additional work completed on the Coldhams Lane Roundabout project since the January 2020 Transport and Infrastructure Committee and outlined a revised programme for consultation and construction.

In discussing the report:

- A Member commented that although it was a complex scheme with cost restrictions, the proposals that were put before the Committee in January were high quality and the options presented to the Committee in the report were variations of the simplest scheme and expressed concern that one option did not include a crossing on Brooks Road /Perne Road.

- The Mayor sought clarification the cost and what S106 funding was available for the scheme. Officers explained that the cost of the scheme totalled £2.2m of which £200k was made up of S106 monies. Officers confirmed that there was no contribution from Cambridgeshire County Council, Cambridge City Council or the Greater Cambridge Partnership.
- Support was given to the concerns expressed by Camcycle during their public question, highlighting the lack of segregation between cars and cyclists as a particular area of concern. There was a risk that the result of the public consultation would be a need to start again with fresh designs.
- The role of partner organisations in delivering high quality improvements to infrastructure was emphasised and the need for them to contribute financially.

The Mayor concluded by requesting that officers present a report to the next meeting of the Transport and Infrastructure Committee following discussions with partners in order to understand more fully what funding opportunities were available.

The Mayor therefore proposed with the unanimous agreement of the Committee that the recommendations a) and b) be deleted and replaced with:

Request that officers assess with Cambridgeshire County Council, Cambridge City Council, South Cambridgeshire District Council and The Greater Cambridge Partnership what partner funding contribution opportunities may be available and report to the next meeting of the Transport and Infrastructure Committee.

On being put to the vote it was resolved unanimously to:

Request that officers assess with Cambridgeshire County Council, Cambridge City Council, South Cambridgeshire District Council and The Greater Cambridge Partnership what partner funding contribution opportunities may be available and report to the next meeting of the Transport and Infrastructure Committee.

82. DATE OF NEXT MEETING

The Mayor informed the Committee that following the meeting of the Combined Authority Board, a further meeting of the Transport and Infrastructure Committee would be required within approximately two weeks. Democratic Services would be making the arrangements.

Chairman



TRANSPORT AND INFRASTRUCTURE COMMITTEE	AGENDA ITEM No: 2.1
15 MAY 2020	PUBLIC REPORT

LANCASTER WAY: FURTHER COST OVERRUN

1.0 PURPOSE

- 1.1. To address the further cost overrun reported by the Lancaster Way project since the Transport & Infrastructure Committee's (TIC) decision of 06 March 2020 to fund a £1.2 million cost overrun.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Paul Raynes, Director of Delivery & Strategy
Forward Plan Ref: N/A	Key Decision: Yes
The Transport and Infrastructure Committee is recommended to: (a) Approve a further capital grant to the County Council in respect of this project of £722,527 including an allowance of £500,000 against the risk of increased costs which may arise as a result of the impact of Covid-19 safe-working constraints, on condition that the scheme starts on site in June to be reported to the Combined Authority Board, in accordance with the terms of its decision of 29 April 2020;	Voting arrangements Simple majority of all Members

(b) Instruct officers, in consultation with the Chair of the TIC, to seek offsetting savings within the transport capital programme;	
(c) Instruct officers, in consultation with the Chair, to explore with the two local highways authorities and HM Government the necessary legal changes to allow the Combined Authority to directly commission highways works in future;	

2.0 BACKGROUND

- 2.1. In March 2011, Cambridgeshire County Council imposed a S106 condition on the Lancaster Way business park and enterprise zone requiring that the developers fund improvements to the roundabout at the junction between the A142 and A10 at Ely.
- 2.2. In October 2016, the LEP made a £1,445,000 growth fund grant to the developer which included, among other items, provision to fund the s106 obligation at the A142/A10 roundabout.
- 2.3. The County Council does not regard this scheme as a county scheme and considers that its role is equivalent to that of a contractor/service provider. It has, since November 2016, been managing a programme of work to implement the roundabout improvements required by the s106 obligation. In October 2018, a study recommended that the scope of the project should also include modifications to the roundabout on the A142 at the entrance to Lancaster Way.
- 2.4. By the autumn of 2019, the project had reached its detailed design stage. Emerging costings suggested that the growth fund grant to the developer would not be enough to cover the whole cost of the project. Members were concerned that the project would be delayed or unable to proceed. This would put a brake on further development of the Enterprise Zone.
- 2.5. At its March meeting, the TIC received revised costings for the project. It agreed to recommend to the Board a further capital grant to the County Council of £1,168,243, increasing the budget by some 135%. At the time, the TIC took the view that the project should live within this increased budget. It instructed officers to restrict the project to its original single roundabout scope should further cost pressures emerge.
- 2.6. Further cost pressures were identified by County Council officers on the evening of 28 April, before the Combined Authority Board meeting of the following day. When it had been made aware of that further information, the Board decided to:

- (a) Approve a new additional budget of £1,168,243 from the 2020/21 single pot allocation to reflect current cost estimate, including a 20% risk allowance;
- (b) Grant the Director of Delivery and Strategy, in consultation with the Mayor, delegated authority to either (i) approve a reduction in the scope of the scheme to enable delivery of the BP Roundabout alone in the event of the risks set out at paragraph 2.7 of the report materialising or (ii) to conduct a review of the budget and timetable for the project should there be any further costs arising and refer approval of any additional budget to the TIC;
- (c) Delegate authority to an extraordinary TIC to approve additional budget for the scheme subject to a full account from the Highways Authority of the reasons for the budget and an assessment of the risks for Covid;
- (d) Agree that the TIC are authorised to approve any additional budget and Covid risk subject to ratification of that budget at the next Board meeting.

Latest project costings

2.7. Costs have been reviewed in line with the Board recommendation and the following table sets out Cambridgeshire County Council’s most recent cost estimate compared to the project’s available funding.

FUNDING ALLOCATIONS	
BP Roundabout	
Grovemere & Growth Fund	£930,000
Grovemere Design Development	£58,355
Lancaster Way Rbt	
East Cambridgeshire CIL Funding	£150,000
CPCA Single Pot (<i>Proposed Allocation</i>)	£1,168,243
TOTAL BUDGET	£2,306,598
Current forecast budget required	2,529,125
Additional budget required	£222,527

2.8. The funding allocation in the table above does not take into account any increased costs associated with the need to comply with Covid 19-related safe working and social distancing. Those costs are currently being assessed by the County Council. County Council officers have recommended a £500,000 allowance against these costs.

Value for money

- 2.9. The dual roundabout scheme, at the revised costing, is estimated to deliver very strong value for money, with a benefit cost ratio of 80. The main benefits scored are time savings to motorised road users.
- 2.10. The scheme BCR is very far in excess of the benchmark value of 2 set by the Combined Authority's Assurance Framework.

Affordability

- 2.11. Value for money is a measure of whether a scheme is worth investing in. It is also necessary to consider affordability – whether there is money to invest in the first place.
- 2.12. The Combined Authority's Medium Term Financial Strategy, adopted in January, assumed that the Lancaster Way scheme would be managed within the Growth Fund budget of £863,484. The Committee's March 2020 recommendation was to make new provision in the budget which increased the overall combined authority budget by 135%.
- 2.13. The revised costing in this paper would require a budget 219% higher than the Growth Fund provision. The proposed revised budget includes a risk provision of £320,000 in the base, in addition to the £500,000 Covid risk provision.
- 2.14. The Combined Authority's central budget challenge, which will be reflected in proposed revisions to the MTFS in June, is to identify savings that can be reprioritised to support businesses in the economic recovery from the Covid crisis.

Key considerations

- 2.15. The Combined Authority has as its mission to double the size of the economy over 25 years by promoting sustainable growth. Enterprise Zones such as Lancaster Way play a crucial role in that.
- 2.16. The Combined Authority also seeks to address the social and economic costs of traffic congestion. Junction improvements such as this scheme can make a significant contribution that that. The high BCR for this scheme reflects its high potential to reduce future congestion.
- 2.17. The scheme is a priority for East Cambridgeshire District Council, for the developer of the enterprise zone, and for local residents affected by existing congestion.
- 2.18. Reopening work on the costings and business case at this point would almost certainly delay the scheme's start on site which is planned for June 2020.
- 2.19. Investing in construction projects of this kind at this time can play a part in promoting economic recovery and supporting local businesses in the

construction supply chain.

2.20. The Combined Authority is committed to good financial and project management. This project's scope has changed during its lifetime. The project's five-year lifetime has been unusually long. The budget variance is extremely large as a proportion of the original budget. Committee members may not regard that performance as satisfactory. However, the Combined Authority cannot under its current legal powers directly commission schemes on the public highway. For highways schemes, it is currently necessary to contract with suppliers through the relevant Highway Authority, which may itself effectively be put in the position of a contractor. To improve the Combined Authority's ability to influence project costs, the Committee may wish to investigate revised legal arrangements which would allow the Authority to directly commission schemes on the highway in future.

Recommendation

2.21. On balance, the Committee may consider that the benefits this project delivers, which are reflected in a very strong BCR, justify a further budget increase now, in the interests of getting it done. Should that be the case, the Committee may nevertheless also wish to challenge the overrun on original budget that this involves. The Committee might also wish to limit the impact of its decision on the Combined Authority's ability to prioritise spending on post-Covid economic recovery.

2.22. To balance those factors, the Committee is recommended to:

- a) Approve a further capital grant to the County Council in respect of this project of £722,527 including an allowance of £500,000 against the risk of increased costs which may arise as a result of the impact of Covid-19 safe-working constraints, on condition that the scheme starts on site in June to be reported to the Combined Authority Board, in accordance with the terms of its decision of 29 April 2020;
- b) Instruct officers, in consultation with the Chair of the TIC, to seek offsetting savings within the transport capital programme;
- c) Instruct officers, in consultation with the Chair, to explore with the two local highways authorities and HM Government the necessary legal changes to allow the Combined Authority to directly commission highways works in future.

3.0 FINANCIAL IMPLICATIONS

3.1. The Medium Term Financial Strategy approved by the Combined Authority Board in January 2020 includes capital provision of £863,484 for the original Growth Fund element of this project's funding.

- 3.2. The Committee agreed in March to recommend to the Board a further capital grant of £1,168,243 in addition to that provision in the MTFS.
- 3.3. This paper recommends a further grant of £722,527 subject to the condition that this extra amount be clawed back from savings in other elements of the capital programme. Those proposed savings will be reflected in the budget paper which will be presented to the Board on 3 June.
- 3.4. The net MTFS impact of the proposals in this paper is therefore the same as the Committee's March decision.

4.0 LEGAL IMPLICATIONS

- 4.1. The recommendations accord with CPCA's powers under Part 3 Articles 9 and 11 Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251);
- 4.2. The TIC meeting shall be conducted in accordance with Part 2 regulation 5 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.

5.0 APPENDICES

Source Documents	Location
Lancaster Way March 2020 TIC paper	Lancaster Way March 2020 TIC paper
Lancaster Way Board Paper April 2020	Lancaster Way A142 - A10 Roundabout Improvements