

March Area Transport Programme

To: Highways and Transport Committee

Meeting Date: 23 July 2024

From: Executive Director of Place and Sustainability

Electoral division(s): March North and Waldersley, March South and Rural, Whittlesey South

Key decision: Yes

Forward Plan ref: 2024/071

Executive Summary: The report provides an update on the next stages to deliver schemes relating to the March Area Transport Study. The report outlines the conclusions of the Full Business Case 2 that has been undertaken for schemes included in the Study and provides recommendations to enable delivery of two construction projects and further business case development.

Recommendation: The Committee is recommended to:

- a) Note the conclusion of the Full Business Case 2 for the March Area Transport Study schemes;
- b) Subject to approval by the Cambridgeshire and Peterborough Combined Authority, agree that the Council accept £7m funding to progress to construction of the Twenty Foot Road and St Peter's Road junctions, and develop Full Business Case 3 for the Northern Industrial Link Road;
- c) Delegate authority to the Executive Director of Place and Sustainability, in consultation with the Chair and Vice-Chair of the Highways and Transport Committee and the Section 151 Officer, to enter a Grant Funding Agreement with the Cambridgeshire and Peterborough Combined Authority;
- d) Approve the ongoing development of the design for the Northern Industrial Link Road, including consultation with stakeholders; and
- e) Approve the commencement of procurement for:
 - (i) The provision of construction starting March 2025 and extension periods; and

- (ii) The provision of professional services to develop Full Business Case 3 for the Northern Industrial Link Road starting September 2024 and extension periods.
- f) Delegate authority to the Executive Director of Place and Sustainability, in consultation with the Chair and Vice-Chair of the Highways and Transport Committee, to award and execute a contract:
 - (i) For the provision of construction starting March 2025 and extension periods; and
 - (ii) For the provision of professional services to develop Full Business Case 3 for the Northern Industrial Link Road starting September 2024 and extension periods.

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1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 The March Area Transport programme supports the Council's vision and ambitions.
- 1.2 Ambition 2: Travel across the county is safer and more environmentally sustainable
The schemes will improve safety along the A141 at Peas Hill Roundabout and the Twenty Foot Road Junction. The Hostmoor Avenue and Peas Hill Roundabout schemes include improvements for pedestrians, and the Northern Industrial Link Road (NILR) scheme proposes to include segregated cycleway facilities.
- 1.3 Ambition 3: Health inequalities are reduced. The March Area Transport Study Full Business Case 2 schemes will improve air quality by significantly reducing queueing and idling traffic along the A141, B1099, and B1101, which will improve the health of existing and future local residents across March.
- 1.4 Ambition 6: Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised. Providing an efficient and reliable local transport network in and around March is crucial to ensuring the continued success of the local economy. The highway elements of MATS FBC2 will improve highway capacity and address existing and future issues of congestion and delay across March, better connecting residents and commuters to the wider network, whilst the active travel improvements along the Northern Industrial Link Road and at the Peas Hill Roundabout will help reduce severance and improve journey quality.

2. Background

- 2.1 The Fenland Local Plan, adopted in May 2014, includes proposals for 4,200 new homes in March and 30 hectares of employment land to deliver around 2,000 new jobs up to 2031, with strategic allocations for development being to the southeast and southwest of the town centre.
- 2.2 Funding was allocated by the Cambridgeshire and Peterborough Combined Authority (CPCA) to develop the preliminary designs and an Outline Business Case for the March Area Transport Strategy (MATS); this work was completed and approved by the CPCA in 2021.
- 2.3 The Full Business Case (FBC) is developed in three phases, with each phase focusing on the delivery of different schemes from the overall MATS package. Each phase presents the case for investment for the whole package, confirming the strategic benefits associated with delivering all five schemes, as well as demonstrating that the funding for each phase will deliver value and benefits.
 - FBC 1 focused on the Broad Street scheme, which is now under construction with work expected to be completed in October 2024.
 - FBC 2 focuses on A141 / Peas Hill Roundabout, A141 / Hostmoor Avenue, A141 / Twenty Foot Road and B1101 High Street / St Peter's Road
 - FBC 3 will focus on the Northern Industrial Link Road.
- 2.4 The recommended package of MATS Improvement Schemes will address existing capacity and safety problems, while mitigating for future growth in travel demand resulting from

housing and employment growth identified in the Fenland Local Plan (2014). The Business Case is set out in compliance with the Department for Transport (DfT) transport business case guidance (2022), HM Treasury's (HMT's) Guide to Developing the Project Business Case (2018) and The Green Book (2023).

3. Main Issues

- 3.1 The FBC2 updates and reconfirms the strategic fit and the case for change previously established in the strategic and outline business case stages, and in the FBC1. It provides detailed economic and financial assessment of the options and identifies the most suitable procurement and management strategies for delivery. The proposed schemes will significantly reduce traffic congestion along the A141, B1101, and B1099 and help free up highway capacity to accommodate housing and employment growth across March. The schemes will also reduce the need for strategic traffic to route through the town centre and improve the town centre experience. The reduction in traffic congestion will subsequently reduce associated greenhouse gas emissions as demonstrated in the Economic Dimension. They will also address existing safety issues at the A141 / Twenty Foot Road junction.
- 3.2 The CPCA has allocated £7m funding within their Medium-term Financial Plan, which was approved by CPCA Board in November 2023. This funding allocation will allow a sub-package of the schemes to be taken forward. The Business Case considers the benefit cost ratio of the individual schemes within the package along with the package as a whole, as outlined in Table 1. It is to be noted that whilst the MATS schemes will be delivered in phases, it should still be considered as a package of schemes.

Package	BCR	Outturn Cost	Value for Money Category
3a Schemes*	2.15	£34,594,219	High
FBC2 Schemes**	2.96	£14,046,941	High
Twenty Foot Road	1.80	£5,199,000	Medium
Hostmoor Avenue	6.77	£2,876,000	Very High
Peas Hill	5.78	£5,292,000	Very High
St Peter's Road	2.61	£898,000	High

Table 1: Benefit cost ratios of MATS schemes

*3a schemes include Twenty Foot Road, Hostmoor Avenue, Peas Hill, St Peter's Road and Northern Industrial Link Road.

** FBC2 schemes exclude Northern Industrial Link Road

- 3.3 There are a number of potential packages that can be delivered within the available £7m funding, as outlined below.
- Twenty Foot Road and St Peter's Road – total outturn cost of £6.1m
 - Hostmoor Avenue and St Peter's Road – total outturn cost of £3.8m
 - Peas Hill and St Peter's Road – total outturn cost of £6.2m
 - Northern Link Road FBC3 – estimated up to £0.9m
- 3.4 The packages were discussed with officers at the CPCA and Fenland District Council, and presented to the MATS Member Steering Group on 24 April 2024. Following discussion, it is

proposed to progress to construction of the Twenty Foot Road and St Peter's Road schemes, along with development of the Full Business Case 3 for the Northern Industrial Link Road.

- 3.5 The B1101 High Street / B1099 St Peter's Road scheme is an upgrade to the traffic signal control junction, to include a separate northbound right turn lane on the B1101 The Causeway approach. This scheme will take place within the existing highway boundary, meaning that it does not require additional land acquisition and can be implemented under permitted development. Subject to relevant streetworks approval, construction is expected to take place in Summer 2025.
- 3.6 The A141/ Twenty Foot Road Junction scheme is to upgrade the existing priority junction to a signalised junction, with a northbound right turn flare on the A141 Isle of Ely Way northbound approach. This scheme will require some additional land purchase, which is included within the overall scheme cost. Land acquisition is within the thresholds for approval by an Executive Director as defined in the Council's Scheme of Delegation to officers. The land will need to be acquired prior to commencement of construction of the project, meaning there is a risk that delays to land purchase may result in delay to delivery of the overall scheme. Legal advice has been sought on the requirement for planning consent, which concluded the scheme could be carried out under permitted development rights. An application for a Certificate of Lawfulness has been made to evidence that there are no planning impediments to the scheme and to support the land acquisition process. Land acquisition and construction procurement is planned for August 2024 to February 2025, with construction March – July 2025.
- 3.7 FBC3 for the Northern Industrial Link Road will include the development of the detailed design and consider a full business case based on the 5-case model, as has been undertaken for the FBC1 and FBC2. This includes the strategic, economic, financial, commercial and management dimension. Following procurement of a professional services contractor, work will commence on FBC3 in Autumn 2024 and is expected to continue through to the end of March 2026.
- 3.8 The MATS schemes support the inclusion of active travel aspirations including segregated cycleway facilities along the Northern Industrial Link Road. The FBC2 schemes will provide improvements for pedestrians including a controlled crossing at Hostmoor Avenue and zebra crossing as part of the Peas Hill Roundabout scheme. Alongside MATS, a number of cycling and walking schemes have been implemented with funding provided by the CPCA, including improvement works alongside further detailed design and options studies. Delivery of these active travel 'quick wins' were approved by the committee in September 2020.
- 3.9 Throughout the development of the MATS, consultation with the public has been undertaken, including significant consultation in the early stages during the development of the adopted Fenland Local Plan, the March Neighbourhood Plan, and the Growing Fenland project. A public consultation on the MATS schemes was held online during May and June 2020. A final round of public engagement was undertaken in September 2022 through a series of in-person events in March town centre. During the development of FBC2, engagement with the appointed Member Steering Group, including local members, has been ongoing and will continue throughout the next stage of the project.

- 3.10 To support the next phase of MATS, contractors will be appointed to provide specialist support in development of the business case, land acquisition and construction. A procurement plan has been prepared and given the value of the packages, alongside the need to ensure competition within the procurement, it was considered that best value would be achieved through a competitive process utilising a multi-supplier framework. A professional services contractor will be appointed through a mini competition via the ESPO Framework to develop the FBC3 for the Northern Industrial Link Road. A construction contractor will be appointed through a mini competition using a framework, expected to be the Crown Commercial Services framework. The current Eastern Highways Alliance Framework is set to expire in September, and procurement of a replacement framework is underway. This is unlikely to be in place for the award of the required construction contract, however, if there are unforeseen delays or lack of response through other frameworks, then this may be used.
- 3.11 A grant funding agreement (GFA) is being prepared by Pathfinder Legal Services to be completed with the CPCA, subject to approval by this committee. Funding is expected to be drawn down in 2024/25 and 2025/26.

4. Alternative Options Considered

- 4.1 Alternative packages for delivery with the available funding have been considered, as outlined in paragraph 3.3 of this report. Whilst alternative schemes could be delivered, it is considered that the proposed combination represents the most effective delivery within the current budget allocation. It should be noted that all the schemes form part of an overall package for delivery, with the remaining scheme delivery subject to future available funding.

5. Conclusion and reasons for recommendations

- 5.1 The MATS FBC2 schemes will significantly reduce traffic congestion along the A141, B1101, and B1099 and help free up highway capacity to accommodate housing and employment growth across March. The schemes will also reduce the need for strategic traffic to route through the town centre and improve the town centre experience. The reduction in traffic congestion will subsequently reduce associated greenhouse gas emissions and address existing safety issues at the A141 / Twenty Foot Road junction.
- 5.2 The funding allocation through the CPCA will allow some of the FBC2 schemes to be taken forward to construction, along with further development of the business case for a NILR. This will support the managed phased delivery of the overall programme of schemes.

6. Significant Implications

- 6.1 Finance Implications
As outlined in paragraph 3.2, the CPCA has allocated £7m funding through the medium-term financial plan. A GFA is being drafted for signing, subject to approval of this committee.

6.2 Legal Implications

A GFA is required to secure funding for the schemes from the CPCA, as set out in Paragraph 3.11 and referred to in the report's recommendations.

As set out in Paragraph 3.9, the Council will procure a professional services contract and a construction contract from the ESPO framework and CCS framework respectively. Both frameworks provide a procurement law compliant route to market.

6.3 Risk Implications

Project risks have been identified and recorded on a project risk register, which is reviewed by the Project Board. The key risks identified for the projects include potential for challenge or delay on land acquisition for Twenty Foot Road, resulting in programme delay, and potential inflation impact resulting from delays in securing anticipated funding, procurement and execution of works.

Contract risk

The standard form of contract used in Highways is the New Engineering Contract (NEC). This form of standard form contract is considered as the contract of choice for civil engineering projects in the construction sector and recognised as the choice of contract with the DfT and central government.

There are a number of pricing options under the NEC form of contract. The two options commonly used are option A (Lump sum) or option C (Target cost). When considering the pricing options, option A is a fixed sum based upon the defined scope and option C has an incentivisation mechanism, whereby if costs come in below the agreed target there is a gain share for both parties, and if there is an overspend there is a shared pain share.

In all NEC pricing options, there are reasons why costs may increase. These are set out under the contract and cover aspects including, but not limited to, changes in law or price adjustment for inflation. Although risks are evaluated and costed within the budget risk and optimism bias, some risks are unforeseen and could impact the overall budget. Regular updates are provided to the Project Board, where decisions can be made within the funding envelope to descope the works, or seek additional funding through change control.

In the event that a contract is in dispute, in some circumstances the client (the Council) may be liable to continue to pay the costs of the project up to completion and then recoup what is due upon completion of the works. This does carry a financial risk which would be reported through the Capital Programme Board. Equally, if projects do enter a dispute, the committee would be updated with an exempt paper.

6.4 Equality and Diversity Implications

The proposed schemes for the March Area Transport Programme are anticipated to produce a range of benefits for people travelling around March including improved journey reliability, reduced congestion and improved road safety. Improvements to crossings, including an upgraded signalised crossing at St Peter's Road junction and proposed new signalised crossing at Hostmoor Avenue and Peas Hill Roundabout, will reduce pedestrian severance and improve crossing facilities for those with disabilities. Further details are provided in the Equality Impact Assessment, attached at Appendix 1.

6.5 Climate Change and Environment Implications (Key decisions only)

As part of the FBC2, carbon assessments have been undertaken for the MATS schemes. The purpose of the preliminary design carbon assessments was to baseline the construction carbon cost of the schemes early in the design process and highlight 'hotspot' areas where carbon reduction efforts now need to be focused. Where possible, detailed design carbon assessments were undertaken to highlight any carbon reductions achieved to date, as well as any other variations in carbon linked to scheme design changes. Detailed design assessments also demonstrate where construction phase carbon reduction initiatives need to be focused and provide a foundation for future workshops.

Biodiversity features and mitigation plans have been assessed for each scheme location. There is no SSSI or SAC within the vicinity of the St Peter's Road Scheme, and no loss of vegetation is required for the delivery of the scheme. For Twenty Foot Road, based on the current land use, the landscape proposals, and the condition of the existing and proposed habitats on site, the Proposed Scheme is expected to deliver a Biodiversity Net Gain of 12.79% for habitats, and 0% for hedgerow units. FBC2 concludes that there may be some slight adverse effects on biodiversity relating to the Full Package.

7. Source Documents

7.1 [March Area Transport Study - Full Business Case 2](#)