



Investment Committee

13 January 2025

Title:	Single Assurance Framework Business Case Submissions and Change Requests
Report of:	Janice Gotts, Executive Director Resources
Lead Member:	Mayor Dr Nik Johnson
Public Report:	Yes, but with EXEMPT Appendix A
Key Decision:	Yes
Voting Arrangements:	Simple majority of members

Recommendations:

A	To make recommendations to the CPCA Board for the approval of the Full Business Case for the Peterborough Station Quarter, including and funding of £47.85m capital investment from HM Government's Levelling Up Fund which has been included in the MTFP, subject to approval from the Department for Transport.
B	To make recommendations to the CPCA Board for the approval of the Change Request and increased funding of £2m to deliver the Cygnet Bridge project
C	To approve the Change Request for a timing change for the Waterbeach Renewable Energy Network (WREN) project

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance

The Single Assurance Framework (SAF) is a set of systems and processes designed to provide the CPCA with a consistent approach to appraisal, assurance, risk and performance, throughout the lifecycle of projects and programmes. It is focused on ensuring accountability, probity, transparency and legal compliance – and critically, value for money of investments. It covers the full end to end lifecycle of projects and programmes that place a financial liability on the CPCA.

1. Purpose

1.1	Under the SAF arrangements approved by the Combined Authority Board at its meeting on 20 September 2023, the Investment Committee has delegated authority to approve project investments of between £1m - £5m in total for which the funding is within the approved Medium Term Financial Plan. Over this sum the Committee is requested to make recommendations to the Combined Authority Board.
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2. Proposal

2.1	<p>Management of the CPCA's investment priorities, plans and processes is critical to the successful delivery of its strategic aims and maximising the benefits to the region.</p> <p>To help meet the standards set by Government – such as the English Devolution Accountability Framework (EDAF) – the Authority established a clear Assurance Framework (the SAF) that showed how it would meet best value requirements to ensure it is spending public money in the most effective way.</p>
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2.2	<p><u>Peterborough Station Quarter (EXEMPT Appendix A) (total project cost £64.65m, CPCA contribution £47.85m capital from ringfenced Levelling Up Funding)</u></p> <p>This project includes the creation of an enhanced gateway station including a refurbished eastern entrance building, a new western entrance, a multi-storey car park and better and more intuitive active travel connections to the city. This will consolidate existing car parking unlocking land for better use in future phases.</p> <p>The Levelling Up Fund (LUF) allocation for this project has been successfully secured, subject to Full Business Case (FBC) approval from the Department for Transport following their approval of the Outline Business Case early last year. This funding is ringfenced for the Peterborough Station Quarter and cannot be spent on other projects. The Full Business Case (FBC) will be submitted to the Department for Transport (DfT) for appraisal following the CPCA Board in February. This process is a crucial step in accessing the allocated funding and progressing the project toward delivery.</p> <p>The delivery of a multi-storey car park on the western side of the station and improvements to the station and its surroundings will reduce the surface car parking near the station and unlock land for commercial and residential uses as well as a station square and enhanced public realm. New and improved public spaces and Sustainable Drainage systems (SuDs) will reduce flood risk and support biodiversity and green spaces in the area. Unlocking this land will enable the delivery of a direct route between the station and city with a clear line of site.</p> <p>The proposals will make the route and paths fully accessible and more intuitive and attractive by filling in one underpass at Queensgate roundabout to provide a level pedestrian crossing to Cowgate.</p> <p>An improved and direct active travel route that is integrated with the wider cycle network will increase active travel mode share with people benefiting from the subsequent health and wellbeing benefits. This will also be supported by new cycle parking near the eastern and western stations entrances. The route will be intuitive, easy to navigate and desirable. The simplification of this route along with higher quality public realm will offer a strong first impression of the City. The upgrades to this route will also improve the step-free connection to the nearby Queensgate bus station for easier onward public transport connections.</p> <p>The delivery of a new Western station entrance will mean that station users travelling from the west will be able to make a more direct journey to the station, reducing traffic on Crescent Bridge, Queensgate Roundabout and Bourges Boulevard.</p> <p>Station capacity modelling work forecasts that the provision of a new western entrance and reconfiguring access to the footbridge directly from the existing eastern entrance (instead of having to go via platform 1) will relieve passenger congestion within the station. This will have a positive impact on passenger experience through improvements to the efficiency and safety of the station.</p> <p>The scheme outputs are:</p> <p>Western side of Peterborough Railway Station:</p> <ul style="list-style-type: none">• Construction of a new western station entrance to include new stairs, lifts and ticket gates
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	<ul style="list-style-type: none"> • A new multi-storey car park. • New Cycle parking to the west of the station • Construction of a new junction onto Thorpe Road and access road with drop-off locations <p>Eastern side of Peterborough Railway Station:</p> <ul style="list-style-type: none"> • Refurbished station entrance building with improved facilities • Reorganisation of taxi pick-up and drop-off • Reorganisation of drop-off locations and accessible parking spaces • Creation of a new pedestrianised station square • An improved, attractive pedestrian and cycle route from the eastern entrance to the city centre, involving the partial in-filling of the Queensgate roundabout and installation of a signalised pedestrian crossing
2.3	<p>Background</p> <p>On 22 March 2023, the Combined Authority Board accepted the provisional award of £47,850,000 from the Department for Transport’s Levelling Up Fund ringfenced for the Peterborough Station Quarter scheme. The Combined Authority submitted the original bid to the Levelling up Fund, in collaboration with Peterborough City Council. the Combined Authority is the funding recipient in its role as the Strategic Transport Authority for the region. The Combined Authority is responsible for ensuring that the project remains compliant with the criteria of the Levelling up Fund, the funding cannot be used for anything else. The project is being managed by Peterborough City Council.</p> <p>Drawdown of the full award is subject to the Department approving the Full Business Case (FBC) for the scheme. A DfT-compliant FBC is being prepared for submission to the Department in January/early February. The DfT-compliant FBC that will be submitted to DfT will undergo a rigorous appraisal process led by the Department which will involve their various Centres of Excellence and will assure the scheme’s value for money.</p> <p>The DfT-compliant FBC has different requirements and is different to this Business Case that has been submitted for the purposes of the Combined Authority’s Single Assurance Framework (SAF). Much of the required information for the SAF, which is included in this document, was part of the OBC submission and received approval from the CA Board and the Department earlier this year. This document is being taken through the SAF approvals process ahead of submitting the DfT-compliant FBC to DfT. This sequencing is required to avoid programme delays due to governance layers requirements.</p>
2.4	<p>Key Outcomes</p> <p>The Peterborough Station Quarter is a multi-phase programme that will create a new district in this ambitious and transforming city. This project underpins key priorities for economic growth, sustainability, and housing across Peterborough and the wider Cambridgeshire and Peterborough region. These objectives have already been agreed upon, and officers continue to ensure the project aligns with the region’s strategic vision for development and prosperity. The outcomes agreed in the OBC are:</p> <ul style="list-style-type: none"> • Improved access journey times to and from the station through a reduction in average pedestrian, cyclist and vehicle journey times. • Increase the opportunity for economic growth by facilitating the release of at least 3 ha of surface car parking for development. • Make the station an effective “gateway” to the City supporting an improvement in LNER Customer Satisfaction levels to above the average across the ECML route. • Support the creation and retention of 500 new jobs through the relocation of the Network Rail Maintenance Delivery Unit into a new, modern and sustainable operational facility. • Enhance environmental sustainability within the station lease area through improving the public realm and energy efficiency of the existing station building. <p>The Full Business Case is available to Members in EXEMPT Appendix A.</p>

2.5 **Cygnets Bridge Change Request (Appendix B) (£8.3m total project cost, £5.4m CPCA Contribution – change request of further funding of £2m capital requested and updated delivery timetable)**

The request for the Combined Authority’s contribution has risen from £3.4 million to £5.4 million. The delivery timetable is now to complete in spring/summer 2026.

This cost escalation is broadly attributed to:

- Design Modifications: Adjustments to the project design have introduced additional complexities and scope changes beyond the original estimate.
- Sewer Diversion Costs: Updated assessments reveal significantly higher costs for required sewer diversions than initially projected.

To mitigate operational risks associated with winter weather, such as flooding, the construction schedule has been adjusted. Work is now expected to commence in Summer 2025, ensuring optimal conditions for efficient delivery and reducing potential disruptions.

Securing additional funding and implementing these changes will support the continued progress of this critical infrastructure project for Peterborough’s communities and connectivity.

£1.464m will be funded through efficiencies made in the Transforming Cities Fund, with the remaining £0.6m allocated from the authority’s active travel capital budget

DfT has confirmed that it is happy for the Authority to allocate this underspend to the current project. If the funding is not utilised for the project, then it will be subject to clawback.

2.6 **Background**

At its meeting on 8 June 2022, the Combined Authority Board approved £3,427,800 to support the construction of a new pedestrian and cycle bridge connecting Fletton Quays and the Embankment area of Peterborough. Link is available [here](#).

This project, originally named the River Nene Pedestrian Bridge, will provide a vital new link between two significant redevelopment areas and the City Centre core, facilitating easier and more sustainable travel on foot, wheeling or by bicycle.

Following a successful public consultation, the bridge was named Cygnets Bridge, reflecting its central role in enhancing Peterborough’s active travel infrastructure.

The project has received funding through Peterborough City Council’s successful Towns Fund bid, which secured £2m specifically for this initiative. Furthermore, £955,024 of developer contributions has been allocated, with the Combined Authority providing match funding.

Peterborough City Council conducted an Outline Business Case (OBC) for Cygnets Bridge, which initially delivered a core Benefit-Cost Ratio (BCR) of 1.6, representing Medium Value for Money, based on transport user and active travel benefits. An adjusted BCR of 2.2, reflecting High Value for Money when wider economic benefits were factored in.

As the project has progressed, the Full Business Case (FBC) is nearing completion, with the economic appraisal now updated to reflect the revised construction costs.

Sensitivity testing on the updated data including the increased request from CPCA shows a BCR ranging from 2.05 to 2.46, firmly reinforcing the project’s classification as High Value for Money.

At the Outline Business Case (OBC) stage, the original funding envelope for the project was £6,322,824, based on an early conceptual design. However, as the project has progressed to detailed design, cost estimates have been refined to reflect more accurate requirements and market conditions. Interim cost estimates, prepared in advance of the final target cost. Total cost of the project is now £8,322,824, with an anticipated shortfall of approximately £2m.

The revised funding package including this request is set out below:

Funding Stream	Total
Towns Fund	£1,940,000
PCC	£955,024
CPCA	£5,427,800
Total	£8,322,824

Key Outcomes

Key Considerations Supporting Additional Funding:

- Alignment with Strategic Objectives: The project continues to fulfil its primary goals of improving connectivity within Peterborough, promoting active travel, and supporting sustainable development.
- High Value for Money: Despite increased costs, the updated Benefit Cost Ratio (BCR) remains strong, ranging from 2.05 to 2.46, demonstrating High Value for Money and reaffirming the project's economic and social benefits.
- Minimal Cost-Saving Opportunities: Value engineering workshops and design reviews have revealed limited options for significant cost reductions without jeopardising project delivery or compliance.

The detailed change request is available in Appendix B.

Waterbeach Renewable Energy Network (WREN) Change Request (Appendix C) (Timing change only - £6.1m total project cost, £2.7m CPCA Contribution)

The request is for a revised delivery date from March 2025 to December 2026, with construction now scheduled to commence by October 2025 with grant spend taking place in 2025/26 and 2026/27.

Conclusion to the Agreement for Lease for the land required by WREN has been delayed due to errors identified in the recording of boundaries with the Land Registry. The Agreement for Lease is a precursor to the procurement of a main contractor and therefore the commencement of construction works. Work to address Land Registry issues has been ongoing is nearing conclusion with the Agreement for Lease scheduled to conclude by the end of December 2024 to support the revised programme (as detailed above) for the delivery of WREN.

WREN will now be operational before the end of 2026 and remains able to support a Council agreed electric Refuse Collection Vehicles (eRCV) fleet procurement programme scheduled to procure all remaining eRCVs in the fleet procurement programme by 2028. Four eRCVs are already in operation, with up to nine planned by 2026, and a total of eighteen on completion of the programme by 2028. Additional RCVs using HVO will also support moving towards Cambridge City and South Cambridgeshire Council net zero targets.

Background

The Combined Authority Board Meeting in November 2022 approved £2.7m of funding for the delivery of the Waterbeach Renewable Energy Network (WREN) project, for the capital costs of constructing an integrated renewable energy and storage solution to serve the electric Refuse Collection Vehicles (eRCVs) within the overall fleet at Greater Cambridge Shared Waste Service (GCSWS) Depot in Waterbeach. The total project costs were identified as £5,981,896, with the remaining £3,281,896 being split equally between Cambridge City Council and South Cambridgeshire District Council.

A previous Change Request submitted in July 2023 stated that construction works would commence on site in Summer 2024, following a decision not to proceed with the delivery contractor due to identified risks.

A WREN Technical Team is in place and a contract is now scheduled to be awarded by July 2025 with construction works commencing by October 2025 and completed by June 2026. A further six-month contingency for works is proposed, in view of learning from similar projects, taking overall project closure to December 2026.

Key Outcomes

This change request is only a timing change so the scope continues. Here are the key outcomes from the approved Full Business Case:

- Minimum Average Projected Renewable energy Generation 897,202kWp per annum over the first 15 years of the project's operation
- Minimum CO₂e savings of 1104.39 tCO₂e per annum over the first 15 years of the project's operation

The key measures of success will be ability to generate the renewable energy generation and deploy energy storage in order to service electricity requirements for 20 eRCVs year-round that achieves the carbon abatement within the funding envelope and with financial performance for lifecycle cost analysis.

	<p>In the medium term the project will enable the significant reduction in carbon emissions from refuse collection function across the Greater Cambridge area and enable the fleet transition to electric RCVs. In the longer term, the project will enable both SCDC and City to achieve their net zero plans and their interim milestones in 2030 and ultimate target of 2050.</p> <p>The detailed change request is available in Appendix C.</p>
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3. Background

3.1	<p>The Combined Authority Single Assurance Management Framework and Procedure was reviewed at 08 September 2023 Audit and Governance Committee and approved 20 September 2023 Combined Authority Board.</p> <p>Work continues in embedding the Framework and Procedure, including through training for members and officers.</p>
3.2	<p>The Framework notes that the Programme Management Office are responsible for ensuring that the SAF process is maintained, updated and that performance and risks are regularly reviewed with the Executive Director of Resources, Corporate Management Team, Investment Committee, Audit and Governance Committee and CPCA Board.</p>

4. Appendices

4.1	EXEMPT Appendix A. Peterborough Station Quarter FBC
4.2	Appendix B. Cygnets Bridge Change Request
4.3	Appendix C. Waterbeach Renewable Energy Network (WREN) Change Request

5. Implications

Financial Implications

5.1	These are set out in the main body of the report and associated business cases attached.
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Legal Implications

5.2	<p>A standard CPCA grant funding agreement/contract will be devised and issued to deliver the Business case outcomes.</p> <p>Section 5.5 of The Single Assurance Framework (SAF) sets out the Business Case Development process and section 5.6 sets out the Business case approvals phase. The business case approvals phase begins following successful progression through the SAF phase 2 development phase, which requires an Executive Director decision to progress the business case into approvals.</p> <p>As per the Approval Routes at Section 5.6.5, the Investment Panel will review the Business Case and provide advice to the Investment committee in line with its delegation to approve business cases from £1 million - £5 million and recommend on to the CPCA Board where it exceeds this sum.</p>
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Public Health Implications

5.3	None
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Environmental & Climate Change Implications

5.4	None
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Other Significant Implications

5.5	None
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Background Papers

5.6	Single Assurance Framework Board report 29 November 2023 Single Assurance Framework Cover report and appendices (pages 94-148)
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