



# Transport & Infrastructure Committee

**26 June 2024**

Title:	March Area Transport Study (MATS)
Report of:	Emma White, Acting Transport Strategy and Policy Manager
Lead Member:	Anna Smith
Public Report:	Yes
Key Decision:	Yes KD2024/007
Voting Arrangements:	<u>Recommendation A:</u> No vote required <u>Recommendations B, C and D:</u> A vote by consensus otherwise a vote in favour by at least two thirds of the members present including the Cambs County and Peterborough members or their subs. A simple majority of voting Members

## Recommendations:

A	Take note of the progress on March Area Transport Study (MATS).
B	Recommend to the Combined Authority Board to approve the MATS Full Business Case 2 (FBC 2)
C	Recommend to the Combined Authority Board, approve the drawdown of £7,000,000 of the Medium-Term Financial Plan (MTFP) from subject to approval to approved for the MATS project to be spent in Financial Years 2024/2025 and 2025/2026.
D	Recommend to the Combined Authority to delegate authority to the Assistant Director of Transport in consultation with the Chief Finance Officer and Monitoring Officer to enter into Grant Funding Agreements with Cambridgeshire County Council.

## Strategic Objective(s):

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

X	Achieving good growth – March Area Transport Study aims to facilitate housing and employment growth across March and Regeneration of March Town Centre.
X	Enabling resilient communities – March Area Transport Study aims to improve local environmental conditions.
X	Increased connectivity - March Area Transport Study aims to address existing traffic congestion and safety issues.

## 1. Purpose

1.1	This paper seeks to provide an update on the work on March Area Transport Study (MATS) and approve the drawdown of £7,000,000 from the Medium-Term Financial Plan (MTFP) to continue the project.
-----	---

## 2. Proposal

- 2.1 This paper provides an update on the work undertaken to date on MATS. The paper also proposes to seek the drawdown of the allocated £7,000,000 funds in the MTFP to continue the project.

## 3. Background

- 3.1 *The MATS was first approved for inclusion in the Transport Programme at the March 2018 by the Combined Authority. Following this Cambridgeshire County Council (CCC) took forward the study to establish the issues and find potential solutions to address these in an efficient and effective manner.*

- 3.2 Fenland District Council's (FDC) vision for the area is outlined within its Local Plan published in 2014. The aim is 'to maximise the potential of the area and deliver jobs, skills, improved housing and new infrastructure', and make the district 'a better place to live, work and visit'. The Local Plan includes the delivery of 4,200 new homes in March as well 30 hectares of employment land to provide new jobs

- 3.3 The 2011 MATS Study provided the transport evidence base for the Local Plan and assessed the impact of traffic growth resulting from its implementation. In addition, it proposed measures to improve the towns transport network for both current and future traffic demand. The current MATS builds upon this work and assesses potential improvement options to deliver future economic and housing growth

- 3.4 The MATS Strategic Outline Business Case (SOBC) was submitted in October 2020 and the Outline Business Case (OBC) was tabled at the Combined Authority Board in November 2021 along with approval for the next stage of the MATS project including Full Business Case (FBC) and Detailed Design. This paper also outlined within its Other Significant Implications section that the Future High Street Fund (FHSF) scheme was reliant on the MATS Broad Street project undertaking detailed design and commencing construction.

- 3.5. In summary the MATS project has a number of different workstreams since the project began as shown in the table below:

Work Stream	Schemes	Status
Full Business Scheme 1 (FBC1)	Broad Street	FBC 1 complete and scheme in construction currently
Full Business Case 2 (FBC2)	Twenty Foot Road Hostmoor Avenue Peas Hill St Peter's Road With / without Northern Industrial Link Road (NILR only at prelim-stage)	FBC 2 complete
Full Business Case 3 (FBC3)	Northern Industrial Link Road (NILR)1.80	Not started Awaiting funding
Minor Improvements	Number of minor improvement schemes completed ahead of FBC completion (previously called Quick Wins)	Complete
Walking and Cycling	Walking and Cycling Strategy Number of schemes including design with and without construction	Strategy complete Design and construction of selected schemes nearing completion (summer 2024)

- 3.6 In March 2022, it was approved to re-purpose £586,205 of the FHSF to undertake initial stages of the MATS Broad Street project. In October 2022, it was tabled that the Full Business Case process would

be divided into phases to meet delivery deadlines of the MATS Broad Street scheme as well as approving the initial funding for FBC 2.

3.7 A Pedestrian and Cycling Strategy was undertaken in 2019, as part of the MATS Study which identified a range of potential schemes to improve walking and cycling provision across the March area.

In October 2022, the Combined Authority Board approved the commencement of the Walking and Cycling (Active Travel) Strategy. Phase 1 – includes 7 locations only requiring minimal work, i.e., road markings and non-illuminated signage. The phase 1 schemes total cost for this stage includes implementation (construction) to deliver the phase 1 schemes “on the ground”.

Phase 2(a) – includes ten locations where the project scope only has one option for design, but requires further site surveys and intrusive investigations, third party approvals and additional detailed design. The phase 2a schemes require investigation and further design work following an initial assessment of a solution. The costs at this stage are for design development only. Once each scheme has been designed an estimate of construction cost will be prepared. Additional funding will be required to implement the phase 2a schemes “on the ground”.

Phase 2(b) – includes the remaining 11 locations, where there are multiple options applicable requiring further surveys, 3rd party approvals and additional design. The phase 2b schemes require option development, investigation, and design work to develop a solution. The costs at this stage are for design development only. Once each scheme in the phase has been designed an estimate of construction cost will be prepared. Additional funding will be required to implement the phase 2b schemes “on the ground”. Currently, the majority of Phase 1 is complete and Phase 2a are continuing and phase 2b commenced.

In November 2023, the Combined Authority Board approved a reallocation of the planned underspend of £124,913 for walking and cycling further schemes.

3.8 In January 2023, FBC1 was approved as well as the drawdown of £4,149,825 for the construction of MATS Broad Street. MATS Broad Street construction is progressing well in conjunction with the Future High Street Fund. Photos are shown below:



Substantially completed footways on Broad Street East Side



Asphaltic road surface removed and excavation initiated for Broad Street West Side Footway



Attenuation Tank units installation in progress



New Sand Stone Steps installation in progress

A number of challenges have been worked through successfully on site recently including void identified under Dartford Road and UKPN Excavations in Completed Works (Footways and Carriageway).

3.9 Following the progression of the MATS projects, there is an anticipated underspend of approximately £220,000 from the Transforming Cities Fund (TCF) allocation. This has been earmarked to undertake further works as part of the MATS scheme including improvements to pedestrian crossing areas and

Grays Lane improvements. Currently final costs and programmes are being worked through and work will not commence until it is fully agreed.

3.10 The MATS Full Business Case (FBC) is presented in three phases, with each phase focusing on the delivery of different schemes from the overall MATS package. Each phase will present the case for investment for the whole MATS package, confirming the strategic benefits associated with delivering all five schemes, as well as demonstrating that the funding for each phase will still deliver value and benefits should future phases falter. FBC 1 focused on the Broad Street Scheme. The March Area Transport Study FBC2 has now been completed and independently reviewed.

FBC 2 focuses on A141 / Peas Hill Roundabout, A141 / Hostmoor Avenue, A141 / Twenty Foot Road, B1101 High Street / St Peter's Road also called Package 3a. The MATS FBC Package of schemes includes Package 3 and the Northern Industrial Link Road (NILR). The Broad Street scheme for FBC2 is in the base existing conditions.

FBC 3 will focus on the Northern Industrial Link Road (NILR).

FBC 2 is split into five dimensions or cases, each of which is summarised below.

1) The **Strategic Dimension** demonstrates how the recommended package of MATS Improvement Schemes fits with wider public policy objectives and provides the case (or need) for change. The recommended package of MATS Improvement Schemes strongly aligns with the vision and objectives of national, regional, and local policies and the need for interventions are summarised as:

- The need for regeneration in March Town Centre.
- The need to address existing traffic congestion and safety issues.
- The need to facilitate housing and employment growth across March.
- The need to improve local environmental conditions.

The **Economic Dimension** demonstrates that the recommended package of MATS Improvement Schemes offers value for money. Package 3a has a core BCR of 2.15 based on transport user, noise, greenhouse gas, air quality, and accident benefits alone. This indicates that the core monetised benefits outweigh the scheme cost estimates and provide High Value for Money (VfM). The addition of journey time reliability benefits increases the BCR to 2.35, which still represents High VfM. The MATS FBC2 Package of schemes has a core BCR of 2.96, which equates to High VfM. The addition of journey time reliability benefits increases the BCR to 3.19, which still represents High VfM.

The scheme costs considered in the **Financial Dimension** include base investment cost, risk adjusted base cost, inflated risk adjusted cost (Outturn cost), and inflated risk adjusted cost including whole life costs. For Package 3a, the inflated risk adjusted cost including whole life costs over the 60-year assessment period, is £35,206,224 and the Outturn cost required to deliver it is £34,594,219.

The **Commercial Dimension** demonstrates that the recommended package of MATS Improvement Schemes will be procured through a more competitive route to market, either through multi-supplier frameworks or the open market.

The **Management Dimension** demonstrates that the recommended package of MATS Improvement Schemes is deliverable through governance, organisational structures and roles, lines of accountability and resourcing. Evidence of similar projects also compliments this dimension.

£7 million is available from the MTFP budget at the Combined Authority that was approved at Board in November 2023. Therefore, only a sub-package of FBC2 schemes will be affordable at this stage. The table below shows the breakdown of schemes at associated BCRs.

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

*\*3a schemes inc. Twenty Foot Road, Hostmoor Avenue, Peas Hill, St Peter's Road and NILR*

*\*\*FBC2 schemes exclude NILR*

The potential package put forward from FBC 2 includes:

- 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.

Following discussion with CCC, FDC and the MATS Members Steering Group it is proposed to drawdown the £7million funding to progress Twenty Foot Road and St Peter's Road – total outturn cost of £6.1m and Northern Link Road FBC3 – estimated up to £0.9m.

#### Funding Rationale

An independent review of FBC 2 concluded that while the scheme offers high value for money, it carries a medium level of uncertainty. Due to funding constraints of £7 million over the next two financial years, the initial implementation will focus solely on improvements to Twenty Foot Road and St. Peter's Road. Although model runs confirm a Benefit Cost Ratio (BCR) of 2.05 for this phase, these improvements are part of a larger package, which complicates the overall business case and contributes significantly to the medium level of uncertainty.

The review also highlighted concerns in the Economic Case, particularly regarding the sensitivity of the BCR in different scenarios. There are specific issues related to the definition of AM and PM peaks in annualisation, which may potentially inflate the BCR. While visual analysis shows minor differences in peak hours, numerical data reveals significant variance, primarily influenced by growth levels.

This is the rationale behind the funding decision to focus on specific road improvements initially, given the constraints and identified uncertainties.

These schemes are essential to support growth in March, aligning with Fenland's Local Plan. Failure to implement them could hinder anticipated growth scenarios, which are expected to meet or exceed assumptions, supported by existing growth sites in the planning system.

Moving forward, a detailed breakdown of schemes is proposed to progress the project within the allocated budget. A revised Gantt chart in Appendix L is needed to accurately reflect the work programme and refined package once funding approval and project direction are finalised.

Please note that the MATS though broken into phase should be taken as a package of schemes still. Also, this work and future work will be carried out by CCC and their sub-contractors.

The next step for this project following this Committee is for it to be tabled at Cambridgeshire County Council Highway and Transport Committee. Once this has been completed, work can then commence.

## 4. Appendices

4.1 Appendix A – March Area Transport Study Full Business Case 2

## 5. Implications

### Financial Implications

5.1 Drawdown of £7,000,000 from subject to approval to approved of the MATS MTFP to be spent in Financial Years 2024/2025 and 2025/2026.

Capital Programme	2024/25 £'000	2025/26 £'000	Total £'000
March Junction Improvements	3,000	4,000	7,000

### Legal Implications

5.2 Chapter 4, para 4.2 Key Functions of the Combined Authority Board, 4.2.1 (n) *Approve business cases and loans to third party businesses including wholly owned subsidiaries.*

The Combined Authority will enter into a Grant Funding Agreement for the MATS project with CCC.

### Public Health Implications

5.3 The MATS scheme has positive implications for public health. Its objectives are to enhance local environmental conditions by:

- Improving air quality and tackling current traffic congestion and safety issues, such as:
  - Enhancing pedestrian conditions around Broad Street and increasing safety at Peas Hill Roundabout and Twenty Foot Road.
- The scheme aims to provide substantial benefits for transport users, air quality improvement, and accident reduction. By reducing traffic congestion, it will also lower greenhouse gas emissions and address existing safety concerns (helping to work towards Vision Zero)

### Environmental & Climate Change Implications

5.4 The MATS has a positive implication for the environment and climate change.

It aims to enhance local air quality and deliver substantial benefits for transport users and accident reduction. Moreover, by alleviating traffic congestion, the scheme is poised to reduce associated greenhouse gas emissions. However, it's important to note that both Package 3a and the MATS FBC2 Package may potentially have adverse effects on the historic environment, biodiversity, and water environment, necessitating the implementation of appropriate management and mitigation measures.

### Other Significant Implications

5.5 N/A.

### Background Papers

5.6 [Transport and Infrastructure Committee Nov 2023](#)