



**GREATER
CAMBRIDGE
CITY DEAL**

Securing future prosperity

Report To: Greater Cambridge City Deal Executive Board Date: 8 December 2016
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Tranche 2 Transport Prioritisation Update

Purpose

1. To receive an update on work to prioritise transport infrastructure schemes for delivery in the second tranche of the GC City Deal transport infrastructure programme (from 2020 to 2024) and agree next steps. The City Deal supports the ambition in the Cambridge and South Cambridgeshire Local Plans for 33,500 new homes and 44,000 new jobs by 2031 by investing in the infrastructure needed to make sure this growth is sustainable. This project supports that overall vision by ensuring transport infrastructure investments can be considered and prioritised in line with those plans and wider strategic considerations and schemes can be developed for delivery from 2020 when funding becomes available.

Recommendations

2. It is recommended that the Executive Board:
 - (a) agrees that the headline objectives for the Tranche 2 prioritisation exercise are:
 - to prioritise transport infrastructure investments to prepare those which best meet the City Deal's strategic objectives for delivery when funding becomes available (City Deal strategic objectives, which include economic growth and maintaining quality of life, are set out at Annex 1);
 - to ensure that those investments support the growth strategy set out in the Local Plans and the supporting Transport Strategy for Cambridge and South Cambridgeshire; and
 - To ensure the prioritisation is aligned to wider work by the Local Enterprise Partnership (LEP) on the Strategic Economic Plan (SEP) and of the Cambridgeshire and Peterborough Combined Authority.
 - (b) recognises dependencies between ongoing Tranche 1 work, the Local Plan examinations, the work of the Combined Authority, the Economic Assessment Panel, the Tranche 2 prioritisation exercise and Tranche 3 and agrees that potential alignment and synergies with the Cambridgeshire and Peterborough Combined Authority be explored;
 - (c) agrees that the previously used criteria and methodology should be reviewed and built on and that Board, Joint Assembly and other stakeholder input be sought on assessment criteria and methodology and the 'long list' through workshops in early 2017;

- (d) notes existing commitments to consider particular schemes through the Tranche 2 prioritisation process and confirms these;
- (e) Agrees to receive a further report in June recommending the prioritisation methodology and criteria and long list process, as well as the potential for synergies with the Combined Authority and other bodies;
- (f) Agrees officers should explore potential use of a proportion of future City Deal funding to:
- create a potential 'rolling fund' for investment in transport infrastructure/ measures to unlock early growth from which a future repayment revenue stream would follow (for example from s106 contributions) and /or
 - create a fund for smaller scale measures (likely to be those costing less than £500 000) that could be bid into to allow delivery of measures that unblock localised barriers to growth and provide strong economic benefits in line with City Deal objectives.

These options would be brought back to the Board with the proposed long list in September 2017.

- (g) endorses the outline timetable for recommending transport investment priorities for Tranche 2 and notes the key dependencies.

Reasons for Recommendations

3. The above recommendations are based on the following:
- (a) Early prioritisation of Tranche 2 measures will mean that, come 2020, the Greater Cambridge City Deal (GCCD) is in a strong position to deliver infrastructure for sustainable growth as funding becomes available. Doing this work now will also place the partners in a stronger place for securing funding from other sources including from potential future rounds of Growth Deal and private sector sources including developer contributions. At the same time, it will be important to align this project with other key transport infrastructure developments and to assess the opportunities the establishment of the Cambridgeshire and Peterborough Combined Authority may provide to leverage additional private sector investment and consider larger investments.
- (b) In line with overall GCCD objectives and commitments, these measures need to be prioritised based on their potential economic return, contribution to delivering Local Plan homes and jobs, and scheme deliverability. The Tranche 1 prioritisation process was designed to do just that, and provides a good starting point for the Tranche 2 process. It is however recommended that a number of subsequent developments should inform the process (there are discussed further in 'Background' below).
- (c) The long list of potential schemes that feed into the proposed prioritisation process requires review to ensure it is comprehensive yet focused on schemes meeting the City Deal's commitments and requirements and rooted in Local Plans and supporting transport strategies and policies.

- (d) Whilst these suggest some retiming of some of the interim steps proposed in the December 2015 paper on Tranche 2, the delivery of recommended priorities by Winter 2017/8 remains on track overall.
- 4. A rolling investment fund and/or a fund for small schemes could potentially support the delivery of the City Deal's strategic objectives, particularly around housing, jobs and sustainable economic growth and merit consideration.

Executive Summary

- 5. This paper sets out the proposed approach and timetable for developing and agreeing Tranche 2 transport priorities for the Greater Cambridge City Deal. It notes that a number of changes, most notably the agreement of the Cambridgeshire and Peterborough Combined Authority, present opportunities that should be explored early in the next phase of this work and recommends adding that to the previously-agreed scope and approach for this project. It recommends that further work is undertaken to develop the prioritisation criteria and methodology, to explore the merit of potentially creating a rolling investment fund and / or a small schemes fund, to develop proposed long list of schemes, and to assess those and hence derive a recommended set of investment priorities for the City Deal post-2020.

Background

Prioritisation process and long list

- 6. In deriving the Tranche 1 priorities, the Department for Transport's (DfT) Early Assessment and Sifting Tool (EAST) process was used to initially assess schemes based on the five business case elements. These schemes were drawn from the adopted Transport Strategy for Cambridge and South Cambridgeshire (TSCSC). The TSCSC aligns with submitted Local Plans and was adopted in March 2014. The EAST exercise was followed up with an independent economic prioritisation to assess which schemes best support the City Deal objectives. A separate assessment of the deliverability of each scheme was also carried out. This gave rise to the priority schemes currently being developed and delivered. This process was set out in the paper on Tranche 2 Prioritisation considered by the Executive Board in December 2015. The City Deal commitments include the use of EAST and DfT's WebTAG methodology.
- 7. Although the Tranche 1 process was a robust and appropriate one, a number of developments that have taken place since 2014 mean that a quick review is recommended, to build on that approach, respond to the changes and seek opportunities to align City Deal transport investments for Tranche 2 and potentially Tranche 3 with the Cambridgeshire and Peterborough Combined Authority, Highways England and Network Rail. These developments are:
 - (i) Developments in the broader 'Local Transport' landscape;
 - (ii) External factors and dependencies that have added to or will add to the evidence base;
 - (iii) The prioritisation process and criteria used for setting priorities; and
 - (iv) The 'long list' of interventions that should be taken through the prioritisation process, which needs to pick up the Call for Evidence on tackling congestion.

8. Firstly on *developments in the broader 'Local Transport' landscape*, the Cambridgeshire and Peterborough Combined Authority has now been agreed by all seven constituent Local Authorities. It is recommended that as part of this project, the scope for alignment of investment criteria and transport investment priorities is explored with that new body, as well as the opportunities for joint working to leverage further Government investment in the rail and road network, as well as the potential for private sector investment (such as the potential private sector investment in Cambridge South station).
9. Secondly, on *external factors and dependencies*, there have been a number of developments since the December 2015 report was prepared that will influence, and will continue to influence, future transport priorities by adding to the existing evidence base. These include:
 - Other Tranche 1 schemes and proposals including those emerging from the Cambridge Access work programme. (See Annex 2 for a list of the prioritised Tranche 1 transport projects, plus a list of projects for future tranches that were prioritised for early development in January 2015.) All of these projects include substantial additional work on impacts and business cases which further improve understanding of the operation of the Greater Cambridge transport networks;
 - Ongoing study work – work such as that currently being undertaken for the A10 North corridor on identifying potential measures to support growth at Waterbeach and at Cambridge's Northern Fringe East;
 - Local Plan amendments introduced since the December 2015 paper was presented to the Executive Board – for example, there are new proposed allocations on land north of Cherry Hinton Road, and a strategic site for commercial and industrial development on land south of Coldhams Lane, which will impact on future transport demand; and
 - The LEP's work to refresh the Strategic Economic Plan is likely to contribute to the economic evidence base – this work is just starting and is due to be completed in February 2017
10. Thirdly, on *the prioritisation process itself*, it is proposed that an early review of this process be undertaken to ensure it reflects other recent pieces of work and developments in appraisal and assessment processes since the earlier work was completed. These include:
 - the assessment of economic impacts and benefits of investment, and progress against City Deal objectives, by the Economic Assessment Panel – the Panel has just been appointed and is due to start its work shortly;
 - changes proposed by DfT to their WebTAG methodology (principles to inform a proposed response to DfT's consultation on a revised methodology have been submitted to the GCCD Board for consideration);
 - work being undertaken to accompany the A428/A1303 and the Western Orbital projects on wider GVA benefits which reflects emerging DfT thinking on appraisal; and

- developing thinking on investment criteria in the context of the potential Cambridgeshire and Peterborough Combined Authority and the update to the Strategic Economic Plan.
11. All of these should be considered in reviewing the proposed Tranche 2 process.
 12. Finally, there is the issue of the 'long list' of schemes to be sifted. The original long list that fed into the Tranche 1 prioritisation was based on the adopted TSCSC. A number of other proposals have also emerged during the Tranche 1 project development process.
 13. There are commitments to consider these as part of the Tranche 2 prioritisation process. It is proposed that all these, plus the original long list, need to form part of the long list to reflect earlier Board decisions that they should be considered in the tranche 2 prioritisation.
 14. It is recommended that proposals submitted through the Call for Evidence that support City Deal objectives and provide value for money should also be fed in. Developments in the Local Plans may also point to other potential schemes and/or investments. The Tranche 2 prioritisation exercise will also need to be developed in the context of recent announcements regarding Highways England's proposed Oxford to Cambridge Expressway and Network Rail's East West Rail proposals. Parallel work to provide better definition of other candidate schemes for the long list will continue and consideration and testing can be given to light rail and bus tunnel schemes.

Board and Assembly and stakeholder workshops

15. Further thinking is required to specify the definitive long list and also to give greater definition to some of the proposals. The proposed workshops should help to develop that and arrive at clear prioritisation criteria and an approach to developing the long list. They will need to set out the parameters within which the City Deal agreement and the Assurance Framework require investment decisions to be made, the potential for leveraging in private sector investment and the emerging thinking from the Strategic Economic Plan refresh and the Combined Authority's work on investment criteria.
16. The initial workshop should be for the Assembly and Board, with follow-up workshops to involve business stakeholders, potential investors and transport groups.
17. Tranches 2 and 3 of City Deal funding when combined could provide up to £400 million of investment, plus any additional investment/ match. There is scope for this project to consider Tranche 3 priorities where this provides a longer-term approach to investment. At the same time, it is important to note the City Deal commitment to work on a single local plan from 2019 and consider the impact this may have.

Small schemes and rolling funds

18. If endorsed by the Board, it is recommended that a review be undertaken of the potential for top-slicing future City Deal funding to create a potential rolling fund for investment in measures that unlock early growth but for which there would be a future revenue stream to repay up-front investment and / or creating a fund for smaller scale

measures that could be bid into to allow delivery of measures to address localised barriers to economic growth in South Cambridgeshire and Cambridge.

Considerations and Options

19. Given all of the above, the outline milestones and timetable set out in Table 1 are proposed. These should be reviewed after the first phase of the work and in the light of any opportunities to align with the work of the Cambridgeshire and Peterborough Combined Authority, which may impact the timetable.

Table 1: Proposed approach, milestones and timeline for Tranche 2 prioritisation

Date	Action
February / March 2017	Workshops with the Board, Joint Assembly, Business Community and other stakeholders on the prioritisation criteria and methodology and the long list. Discussions with Combined Authority, LEP, Highways England and Network Rail on potential synergies.
April 2017	Test criteria by publishing on website and seeking technical feedback for short period.
June 2017	Agreement of the prioritisation criteria and methodology, long list criteria, any additional resources needed and further report on broader synergies – Board Paper.
September 2017	Proposed revised long list of candidate interventions and advice on 'small projects' fund and rolling infrastructure fund – Board paper
Autumn 2017	Run long list through agreed assessment process to derive recommendations for Tranche 2
January 2018	Results of assessment and recommended priorities – Board paper

20. Alternative options for the Executive Board, and a brief summary of their implications are:
- (a) Earlier prioritisation of Tranche 2 schemes could potentially be considered by applying the same methodology as was used for Tranche 1 and focusing on the long list items agreed to July 2016. Whilst this is not unreasonable it would mean opportunities for broader alignment of City Deal transport investments and priorities with other bodies are likely to be missed, as well as opportunities to further improve the approach by reflecting on work being undertaken by the Economic Assessment Panel, the LEP and Combined Authority, and emerging thinking from the Department for Transport.
 - (b) Tranche 2 investments could be prioritised later, for example this work could be postponed until the Combined Authority investment criteria and Strategic Economic Plan refresh are available in February 2017. Any significant delays in doing so risk there not being schemes ready to deliver when future funding becomes available and potential risks for the Gateway Review planned in

2024. That said, the proposed next phase of work may show the balance of opportunities and risks to favour a slightly longer timescale.

Implications

21. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial and other resources

22. No significant implications at this stage, although the March report will need to include advice on resource and where study or consultancy work is needed.

Background Papers

Report to Greater Cambridge City Deal Executive Board “The Process for Tranche 2 prioritisation” (3 December 2015) – available at:

<http://scambs.moderngov.co.uk/documents/s83302/Process%20for%20tranche%202%20prioritisation.pdf>

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Annex 1: Strategic Objectives of the Greater Cambridge City Deal

The Greater Cambridge City Deal objectives are set out in the City Deal agreement between Government and the City Deal Partners. The headline aim is to enable a new wave of innovation-led growth by investing in the infrastructure, housing and skills that will facilitate the continued growth of the Cambridge Phenomenon.

The agreement also sets out the key strategic objectives against which transport investments will be prioritised. The relevant section of the City Deal Document is set out below.

“Greater Cambridge has developed an assurance framework which establishes the responsibilities, processes and principles that will underpin delivery of the City Deal transport schemes. By adopting this framework, Greater Cambridge will ensure that schemes that offer maximum benefits and value for money are prioritised for investment. The Greater Cambridge authorities will prioritise projects that will deliver against four key strategic objectives:

- to nurture the conditions necessary to enable the potential of Greater Cambridge to create and retain the international high-tech businesses of the future;
- to better target investment to the needs of the Greater Cambridge economy by ensuring those decisions are informed by the needs of businesses and other key stakeholders such as the universities;
- to markedly improve connectivity and networks between clusters and labour markets so that the right conditions are in place to drive further growth;
- to attract and retain more skilled people by investing in transport and housing whilst maintaining a good quality of life, in turn allowing a long-term increase in jobs emerging from the internationally competitive clusters and more university spin-outs.

The selected schemes will be assessed to ensure they deliver value for money (where the economic benefits of the scheme exceed the costs of investment and maintenance), contribute to City Deal, Local Plan and Local Enterprise Partnership objectives and can be delivered on time and to budget. Greater Cambridge will use the Department for Transport’s Early Assessment and Sifting Tool methodology to support the prioritisation of schemes.”

The objectives of the Transport Strategy for Cambridge and South Cambridgeshire, which the City deal strategic objectives build on, should also inform consideration of priorities. These are to:

- ensure that the transport network supports the economy and acts as a catalyst for sustainable growth.
- enhance accessibility to, from and within Cambridge and South Cambridgeshire (and beyond the strategy area).
- ensure good transport links between new and existing communities, and the jobs and services people wish to access.
- prioritise sustainable alternatives to the private car in the strategy area, and reduce the impacts of congestion on sustainable modes of transport.
- meet air quality objectives and carbon reduction targets, and preserve the natural environment.
- ensure that changes to the transport network respect and conserve the distinctive character of the area and people’s quality of life.
- ensure the strategy encourages healthy and active travel, supporting improved well-being.
- To manage the transport network effectively and efficiently.

Annex 2: Current Greater Cambridge City Deal Transport Priorities

Prioritised Tranche 1 transport projects

- Cambourne to Cambridge - better bus journeys (east of and including Madingley Mulch and proposed park and ride)
- The Chisholm Trail
- Cross City Cycling
- Milton Road
- Histon Road
- Cambridge Access Study
- A1307, Three Campuses to Cambridge
- Tranche 2 programme development
- A10 cycle scheme Melbourn to Frog End link

Projects for future tranches prioritised for early development in January 2015

- Western Orbital
- Cambourne to Cambridge - better bus journeys (west of Madingley Mulch)
- A10 North Study