

REPORT TO: Executive Board

DATE: 27 June 2013

REPORTING OFFICER: Strategic Director Policy and Resources

PORTFOLIO Transportation

SUBJECT: Highway Improvements at A558
Daresbury Expressway under the
Department for Transport's Local Pinch
Point Programme

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

The purpose of the report is to inform Members of the award of grant funding through the Department for Transport's (DfT) Local Pinch Point Programme (LPPP) for road junction improvements on the Daresbury Expressway, to seek approval to the inclusion of the scheme into the Council's Capital Programme and to seek a waiver of standing orders in respect of the procurement of scheme design services.

2.0 RECOMMENDATION: That

- (1) Executive Board welcomes the award of £1.675M grant funding for the Daresbury Enterprise Zone / East Runcorn Housing Access Improvement Scheme under the DfT's Local Pinch Point Programme;**
- (2) Executive Board recommends the Council to approve the inclusion of the LPPP scheme into the Council's Capital Programme at a total estimated cost of £2.394M to be phased over 2013/14 and 2014/15; and**
- (3) in accordance with Procurement Standing Order (PSO) 1.8.4, PSO 4.1 (Competition Requirements) be waived and design and scheme preparation services be procured from Mott MacDonald Ltd. for reasons of urgency as set out in this report.**

3.0 SUPPORTING INFORMATION

- 3.1** On 21st February 2013, the Council submitted a bid for funding from a total fund of £170M made available by the DfT for local highway schemes under their Local Pinch Point Programme (LPPP). The Programme is aimed at removing bottlenecks on local highway networks and improving access to development sites to support growth and create additional jobs and housing.

3.2 Halton’s bid comprised a package of schemes designed to increase traffic capacity at three existing junctions on the A533 Daresbury Expressway, aimed at increasing traffic capacity at key highway access points to the Daresbury (SciTech) Enterprise Zone and east Runcorn strategic housing development sites as follows:

- Junction with A56 Chester Road – extension of turning lanes at traffic signals;
- Junction with Innovation Way – conversion of existing roundabout junction to traffic signal layout;
- Junction with Pitts Heath Lane – carriageway widening on roundabout approaches and provision of segregated turning lanes.

3.3 The estimated cost of the schemes is £2.394M and in accordance with the funding bid rules, a 30% local contribution toward the total cost of schemes would be required. The bid sought funding of £1.675M from the DfT’s LPP Programme to be matched by the following local contributions:

- £0.6M Of funding from the Homes and Communities Agency as advance S106 Planning Agreement payments in relation to their new housing developments at Sandymoor; and
- £119,000 of Council funding, primarily staff costs, which will contribute to the scheme design, procurement and works supervision.

3.4 On 22nd March as part of the Budget proposals, the DfT announced that ten LPPP schemes across the country, would be ‘fast-tracked’ under a first tranche of the programme, including the Council’s proposals for the Daresbury Expressway access improvements. The anticipated funding profile, included within the bid was as follows. Schemes must be delivered by March 2015:

	2013/14	2014/15	Total
DfT LPPP Grant	£1,145,000	£530,000	£1,675,000
HCA S106 Funding	£600,000	£0	£600,000
HBC Capital Funding	£60,000	£59,000	£119,000
Total	£1,805,000	£589,000	£2,394,000

3.5 Full approval for the Council’s application to the LPPP fund was confirmed in a letter from DfT on 20th May. The maximum capped funding contribution of £1.675M will be available in 2013/14 as a one-off payment and is subject to the Council agreeing to the following conditions:

- Complete & return quarterly monitoring reports detailing progress and expenditure;

- Share any scheme savings with DfT on the basis of the approved funding split;
- Notify DfT of changes in the scope of the project, In the case of significant changes to the project, DfT reserve the right to reconsider their decision on funding;
- Undertake an evaluation of the scheme, proportionate to its size and scale;
- Display the DfT corporate logo on scheme publicity and promotional material.

3.6 The basis of the bid was that all works can be undertaken within the existing Highway boundaries and that is still the case, however, recent discussions through the SciTech Daresbury Joint Venture Partnership have indicated that development land adjacent to Innovation Way *may* be made available for one of the junction improvements that could be beneficial to both the design and cost of this particular scheme. Discussions with partners are underway to progress this option which, if productive, will necessitate a planning application. This in turn would also require a notification to DfT as a change of scope of the project, however, as the changes are considered largely beneficial, and the scheme delivery date would not extend past the DfT's stated deadline.

3.7 The Council's framework consultants, Mott MacDonald Ltd worked closely with officers on the preparation of the LPP Bid as they have previously been involved in the production of supporting transportation documentation for the East Runcorn and the Daresbury Enterprise Zone. It was intended at bid stage that Mott Macdonald Ltd. would continue to provide the highway design and project management support through the implementation stages of the programme to utilise their invested knowledge in the project, and thereby minimise scheme preparation costs and programme. However, the Engineering Consultancy Framework Contract, under which services had previously been procured, expired at the end of April, unfortunately prior to confirmation of the DfT's scheme approval.

3.8 In accordance with PSO 1.8.1, and in order to minimise delays to the implementation of the project that may have consequences in relation to meeting the DfT's funding conditions, it is proposed that PSO 4.1 (Competition Requirements) be waived for reasons of urgency, to enable preparatory surveys, scheme design and project management services to proceed for this LPPP Scheme.

3.9 This waiver would be in respect of this scheme only, covering the period of scheme design and implementation, and in accordance with the LPPP fund bid and the approval letter from DfT. Mott MacDonald Ltd. have provided a detailed scope of services and an estimate of the cost of services to be provided, which is based on reduced charge-out rates from those previously applied under the Framework Contract. The rates compare favourably with those charged by other civil engineering consultants on similar current projects and, we understand, are

commensurate with rates that will be applied under other regional procurement contracts that are being prepared but have yet to be formally enacted. The estimated cost of services is £130,925, (which includes a sum of £23,750 for third-party costs of surveys and investigations). This estimated sum is below the EU Procurement threshold for Services and therefore does not fall within the requirements of the Public Contracts Regulations.

3.10 The costs of scheme design and preparation were included in the overall scheme costs outlined in the LPPP funding bid and will be borne from the 30% match funding contributions, principally from the HCA S106 contributions outlined in paragraph 3.3. Subject to Council's approval, the scheme and its funding streams will be managed through the Capital Programme.

3.11 As described in paragraph 3.9, Mott MacDonald has reduced the charge-out rates for staff engaged on this project by an additional 5% compared with previous Framework rates. These rates compare favourably with those charged under other current consultant commissions and Mott MacDonald have provided corroboration that they are commensurate with rates recently submitted under competitive conditions.

3.12 The conditions of the former Mott MacDonald Consultancy Framework would apply, with detailed monthly invoices submitted for works undertaken and completed on this commission. These financial payments would be reported in the usual manner on the Council's website.

3.13 Preparatory work in advance of scheme design has commenced with a view to commencing construction under a phased approach in the autumn of 2013. In order to meet the timescales for delivery, the bid was prepared on the basis that construction of the schemes would be procured via the Council's new Highway Improvement and Maintenance Term Contract. This approach provides significant programming benefits and enables construction risks and costs to be managed through early contractor involvement in the delivery of the schemes.

4.0 POLICY IMPLICATIONS

There are no policy implications in relation to this report. The proposals to improve access to employment and housing in the Daresbury Enterprise Zone area are in accordance with the Council's Corporate Strategy and are listed within Halton's Core Strategy, evidenced by the Infrastructure Plan and the East Runcorn Transport Study.

5.0 OTHER IMPLICATIONS

Resource Implications – Paragraph 3.4 and 3.5 of this report sets out details of the grant allocations and local contributions and outlines an

anticipated funding profile across the two financial years, for inclusion in the Council's Capital Programme. Government funding for the scheme is capped at £1.675M and the Council is responsible for managing and controlling all project costs.

Scheme delivery will be managed through a combination of existing staff resources and the Council's framework consultants Mott MacDonald. Construction will be carried out utilising the Highways Improvement and Maintenance Term Contract which has been procured specifically for this type of work and services.

As described in paragraph 3.5, these junction improvements can be delivered within existing Highway boundaries, however, if land is made available for dedication as Highway by the SciTech Daresbury Joint Venture, there may be design, programme and cost benefits to the Innovation Way scheme to be realised.

Social Inclusion and Sustainability Implications – These schemes will provide additional traffic capacity at existing junctions at the gateway to the Daresbury Enterprise Zone and east Runcorn housing area, effectively future-proofing the transport network and encouraging sustainable growth in jobs and housing in this key development area of the Borough.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

N/A

6.2 Employment, Learning and Skills in Halton

The highway improvement schemes will increase highway network capacity at the gateway to the Daresbury Enterprise Zone, removing obstacles to future growth and 'high-value' job creation.

6.3 A Healthy Halton

N/A

6.4 A Safer Halton

Increased traffic capacity at these junctions will reduce the potential for congestion, delays and consequent driver frustration, as the Enterprise Zone develops and journey numbers increase, resulting in a safer highway network.

6.5 Halton's Urban Renewal

The highway improvement schemes will increase highway network capacity and improve access to the Daresbury Enterprise Zone, encouraging development and growth in this key employment and housing development area of the Borough.

7.0 RISK ANALYSIS

- 7.1 The key risks associated with the delivery of these schemes are in relation to meeting the DfT's funding conditions as regards project programme and cost overruns. These are mitigated to a large extent by procuring design and construction services through the use of existing framework and term contracts which enables work to proceed quickly, under agreed terms and conditions and without delay to the programme.
- 7.2 The design consultants have a history of involvement in the formulation of the required network improvements in the east Runcorn area and have prepared the preliminary design layouts for the bid submission. They are therefore well placed to progress the detailed design work. The new Highway Term Contract enables early contractor involvement in the design process, which will assist in the management of project risks in respect of both programme and cost.
- 7.3 It is planned to implement the schemes within a phased approach which provides for flexibility in programming and controlling the cost of construction of each junction improvement. It is currently envisaged that construction work will be complete by April 2014, well in advance of the timescales set for scheme delivery under the DfT's grant conditions.

8.0 EQUALITY AND DIVERSITY ISSUES

Accessibility and connectivity are essential issues for equality and diversity. The design of these schemes will include measures to facilitate barrier-free movement around this area of the Borough for all modes of transport and highway users.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Local Pinch Point Fund Application Pack. DfT 3 Jan 2013.	Rutland House Halton Lea, Runcorn	Dave Cunliffe
Local Pinch Point Fund Application Form. Halton: Daresbury Enterprise Zone/ East Runcorn housing-A558 access improvements	HBC Website	Dave Cunliffe
Local Pinch Point Fund – Full Approval Letter. DfT 20 May 2013	Rutland House Halton Lea, Runcorn	Dave Cunliffe