

**THE PROCUREMENT OF HIGHWAY CONSTRUCTION SERVICES IN CONNECTION WITH THE WEST OF CHELTENHAM TRANSPORT IMPROVEMENT SCHEME AND UK CYBER BUSINESS PARK PHASES 1 & 2 AND MAKING OF ANY ANCILLARY ORDERS IN RELATION THERETO**

<b>Cabinet Date</b>	13th November 2019
<b>Environment and Planning</b>	Cllr Nigel Moor
<b>Key Decision</b>	Yes
<b>Background Documents</b>	<ul style="list-style-type: none"> <li>• GCC Cabinet report 10<sup>th</sup> October 2018</li> <li>• GFirst LEP Board Paper and associated appendix (September 2018)</li> <li>• Adopted Local Transport Plan</li> <li>• Adopted Joint Core Strategy</li> <li>• GCC Project Website</li> </ul>
<b>Location/Contact for inspection of Background Documents</b>	<p>The 10<sup>th</sup> October 2018 GCC Cabinet report can be viewed here;  <a href="http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=117&amp;MId=8901&amp;Ver=4">http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=117&amp;MId=8901&amp;Ver=4</a></p> <p>The September 2018 GFirst LEP Board Paper and associated appendix can be viewed by clicking on the links below:  <a href="https://www.gfirstlep.com/downloads/library/264-agenda_item_7.i_cheltenham_cyber_park_-_11-9-18.pdf">https://www.gfirstlep.com/downloads/library/264-agenda_item_7.i_cheltenham_cyber_park_-_11-9-18.pdf</a>  <a href="https://www.gfirstlep.com/downloads/library/261-7.ii_appendix_1_-_cheltenham_cyber_park.pdf">https://www.gfirstlep.com/downloads/library/261-7.ii_appendix_1_-_cheltenham_cyber_park.pdf</a></p> <p>GCC's West of Cheltenham Transport Improvement Scheme UK Cyberpark Website  <a href="https://www.gloucestershire.gov.uk/highways/major-projects-list/west-cheltenham-transport-improvement-schemes-uk-cyber-business-park/">https://www.gloucestershire.gov.uk/highways/major-projects-list/west-cheltenham-transport-improvement-schemes-uk-cyber-business-park/</a></p> <p>GCC Adopted Local Transport Plan  <a href="https://www.gloucestershire.gov.uk/transport/gloucestershires-local-transport-plan-2015-2031/">https://www.gloucestershire.gov.uk/transport/gloucestershires-local-transport-plan-2015-2031/</a></p> <p>Joint Core Strategy  <a href="https://www.jointcorestrategy.org/">https://www.jointcorestrategy.org/</a></p> <p>LEP Board Decision  <a href="https://www.gfirstlep.com/downloads/library/281-item_8.pdf">https://www.gfirstlep.com/downloads/library/281-item_8.pdf</a></p>
<b>Main Consultees</b>	<ul style="list-style-type: none"> <li>• Lead Cabinet Members</li> <li>• Local Members</li> <li>• Cheltenham Borough Council</li> <li>• Tewkesbury Borough Council</li> <li>• GFirst LEP</li> <li>• Highways England</li> <li>• MP's Alex Chalk (Cheltenham), Laurence Robertson (Tewkesbury) Richard Graham (Gloucester)</li> <li>• Residents, general public and businesses (Public share events undertaken in June 2019)</li> <li>• Wide range of consultees as part of the statutory consultation exercise (Police/Ambulance/Freight &amp; Haulage associations etc.)</li> </ul>

<b>Planned Dates</b>	<ul style="list-style-type: none"> <li>• LEP Investment Panel – November 2019</li> <li>• GCC Cabinet decision – November 2019</li> <li>• Full Business Case Decision by LEP – December 2019</li> <li>• Tender assessment and award – March 2020</li> <li>• Construction start – Spring 2020</li> <li>• Scheme complete and open to the public – Spring 2021</li> </ul>
<b>Divisional Councillors</b>	Cllr Simon Wheeler for Benhall and Up Hatherley, Cllr Robert Vines for Brockworth
<b>Officer</b>	Simon Excell – Lead Commissioner; Strategic Infrastructure <a href="mailto:simon.excell@gloucestershire.gov.uk">simon.excell@gloucestershire.gov.uk</a> 01452 328487
<b>Purpose of Report</b>	<p>To ask Cabinet to delegate authority to the Lead Commissioner, Highway Authority (in consultation with the Cabinet Member for Environment and Planning) for the purpose of commissioning the construction works in relation to the West of Cheltenham Transport Improvement Scheme; and UK Cyber Business Park Phases 1 &amp; 2; and awarding such contracts.</p> <p>In addition, it will be necessary to make further ancillary orders to successfully implement the scheme and authority is sought to enable GCC to make legal orders such as temporary traffic regulation orders (TTRO's for speed limits etc.) during the construction phase of the project.</p>
<b>Recommendations</b>	<p>That Cabinet delegates authority to the Lead Commissioner, Highway Authority (in consultation with the Cabinet Member for Environment and Planning) to:</p> <ol style="list-style-type: none"> <li>1. Conduct a competitive procurement process for the supply of highway construction works in relation to the West of Cheltenham Transport Improvement Scheme; and UK Cyber Business Park Phases 1 &amp; 2; and award such contract(s) to the successful tenderer.</li> <li>2. Make any other ancillary traffic regulation orders that might be required to successfully implement the scheme such as temporary traffic regulation orders (TTRO's for speed limits etc.) during the construction phase of the project.</li> </ol>
<b>Reasons for recommendations</b>	The decision will enable the Council to engage suppliers for the purpose of securing a highways construction contract in respect of the West of Cheltenham Transport Improvement Scheme, which will provide the best opportunity to meet the timescales set out in the Full Business Case for full delivery.
<b>Resource Implications</b>	The West of Cheltenham Transport Improvement scheme will be funded by a Capital Growth Deal Grant of £22M through the GFirst LEP following the approval of the proposed package of scheme's at the LEP Board on the 4 <sup>th</sup> December 2018.

The Outline Business Case has been approved by the GFirst LEP for funding of Phases 1 and 2 and the Full Business Case is in the process of being finalised with a view to submitting in November 2019.

Pending approval of the Full Business Case in December 2019 for phases 1 and 2 of the scheme, Capital grant funding of £13.7 million will be allocated to the County Council to undertake a compliant procurement process.

As scheme promoter, the County Council will be liable for any future cost overruns associated with the delivery of the suite of transport schemes (as is the case with all Growth Deal projects). This will be funded from within the scheme funding envelope or alternative funding, such as the highways capital programme, Section 106 developer contributions, Community Infrastructure Levy, etc. However, as stated in the December 2018 LEP Board paper, the LEP understand the need to also manage the capital risk of the project through the total (£22m) allocation to the project.

As stated in the County Council's Constitution, 'Directors are responsible for ensuring that variations in capital project estimates that occur during the course of a contract are contained within the resources allocated to that service'. The scheme's costs will be monitored and managed accordingly.

## **MAIN REPORT CONTENTS**

### **1. Background**

The A40 Corridor is a key strategic route for both local and national traffic entering from the M5 (Junction 11). It is currently the primary link for commuters travelling between Gloucester and Cheltenham. The Arle Court roundabout acts as conduit for road users into Cheltenham. The land adjacent to the scheme and immediate surroundings consists of residential developments, businesses and a park and ride facility.

The County Council is highly supportive of the Cyber Park proposals, including 45 hectares of much needed employment land. The proposal will be focussed on cyber industries generating new highly skilled jobs. The site is important to the economic prosperity of the county and the aspiration for Gloucestershire to become a magnet county attracting young professionals. The proposed Cyber Park will be served by the currently highly congested A40 corridor from the M5 J11 to Cheltenham Spa Rail Station.

The corridor currently experiences significant congestion and delays, particularly during peak hours. A package of schemes has been identified to improve key areas, aiming to increase capacity, optimise the efficiency of the infrastructure and reduce journey time delays for all traffic using the A40, whilst also maintaining and improving access for businesses, and facilities for pedestrians and cyclists.

The Full Business Case process for transport schemes is designed to ensure that investments are directed at the right schemes, and that these are managed and delivered in the best way. This ensures that transport investment addresses important issues in an effective way, delivering value for money.

The £22m package of West Cheltenham Transport Improvement Schemes (WCTIS) (UK Cyber Business Park) identifies four key phases of improvements, Phase 1 Arle Court, Phase 2 M5 Junction 11, Phase 3 Arle Court Roundabout to Benhall including Telstar Way, and Phase 4 Benhall. Phases 1 and 2 of the scheme have been fast-tracked for early intervention in Spring 2020 to ensure that the most congested part of the route is treated earlier. The design for phases 3 and 4 is underway and it is anticipated that these phases of work will follow on directly after Phases 1 and 2 are complete. This will also allow greater cost certainty before entering into a construction contract for phases 3 and 4. It is anticipated that construction contracts for all phases of the work will be in place before March 2021 to align with the LEP Funding agreement.

Under current proposals, the preliminary design for Phase 1 Arle Court and Phase 2 M5 Junction 11 includes:

#### **Phase 1 - Arle Court Roundabout**

- Provision of an additional circulatory lane around the roundabout
- Corresponding additional lanes to the A40 on the approaches and exits to and from the junction

- New bus lane on the B4063 approach from Staverton, also improving facilities for cyclists
- Bus lane modifications to improve journey times for public transport
- Widening the Hatherley Lane arm to the south side of the roundabout
- Park and Ride Entrance/Exit westbound (towards Gloucester) from Arle Court Roundabout
- Proposal to improve cyclist access at specific junctions, such as Fiddlers Green Lane
- Investigating other cycling improvements as part of this phase

### Phase 2 - M5 Junction 11 southbound slip road to Arle Court Roundabout

- M5 J11 to Arle Court eastbound carriageway widening (towards Cheltenham)

The scheme will be funded by a Capital Growth Deal Grant of £22M through the GFirst LEP following the approval of the proposed package of schemes at the LEP Board on the 4<sup>th</sup> December 2018. The Outline Business Case has been approved by the GFirst LEP for funding of Phases 1 and 2 and the Full Business Case is in the process of being finalised with a view to submitting to the LEP in November 2019.

The below sets out the projected spend as outlined in the Full Business Case for all four phases:

Phase	Latest Budget Estimates
<b>Phase 1</b> – Arle Court Roundabout	£9,230,000
<b>Phase 2</b> – A40 E/B Widening: M5 – J11 to Arle Court	£4,480,000
<b>Phase 3</b> – A40 E/B Widening: Arle Court Benhall Rbt	£4,800,000
<b>Phase 4</b> – A40 E/B Widening: Benhall Rbt to Griffiths Avenue	£3,490,000
<b>Total</b>	<b>£22,000,000</b>

The funding breakdown associated with the delivery of phases 1 and 2 of the project are as follows:

	Design (including historic)	Estimated Tender Costs	Procurement	Supervision and Back Office Support	Land Purchase	Total Costs
Phase 1 and 2 Combined Costs	£2,068,851	£9,419,190*	£60,000*	£756,959*	£1,405,000	<b>£13,710,000</b>

\*The estimates provided are in line with market conditions

## 2. Options

The options for Cabinet are as follows:

- Option A: To authorise the Lead Commissioner, Highway Authority to progress the scheme as set out in this report's recommendations; or
- Option B: To decline to authorise such recommendation. The LEP funding is secured on the basis that the scheme in its entirety must be delivered by 2021, if the highway construction works cannot be competitively tendered then the funding of the project in its entirety would be at risk.

## 3. Risk Assessment

An up to date risk register for the scheme exists and has been regularly updated in line with the GCC Risk Management process, in order to investigate, manage and mitigate key risks.

The key risks can be summarised as follows:

### Scheme clashes with other Highways England projects leading to delays due to network occupancy

Extensive liaison has been undertaken with Highways England on an ongoing basis. Highways England are a member of the WCTIS Project Board and the close working partnership has allowed an understanding of the programming of adjacent works at Staverton Bridge and M5 Junction 11. The phasing and traffic management of the scheme has been carefully considered to minimise impact on Highways England works. The sequencing of the M5 Junction 11 Highways England works has been delayed until September 2020, which minimises the clash with the WCTIS Phase 1 Arle Court works.

### Delay to the Business Case

An experienced team has been employed to mitigate the risk of delays to the business case impacting on delivery; the Full Business Case is in the process of being finalised with a full review by key stakeholders underway. The Full Business Case remains on programme to be authorised by the GFirst LEP in November 2019.

### Delays Associated with Planning

The project team are currently working on the basis of a scenario that a full planning application will be required, the environmental impacts of the project have been carefully investigated from the onset and comprehensive mitigation measures have been implemented as part of the phase 1 and 2 design including additional tree planting.

### Funding Expiry

The GFirst LEP £22million contribution is subject to all construction contracts being in place before March 2021, the programme is well understood and the construction contracts for phases 1 and 2 are anticipated to be in place before Spring 2020. Overall, the risks are well understood and are being eliminated or mitigated as the project moves forward. There are, however, a number of risks that could have an impact on the design and cost of the project. Clarifying the planning position via an

Environmental Impact Assessment Screening exercise is the next critical step in managing the project's risk profile down. Risks will continue to be actively monitored and any significant changes affecting the scope of the project will be reported to the Major Projects Board and Lead Cabinet Member.

#### **4. Officer Advice**

That Cabinet approve the recommendations as set out in this report.

#### **5. Equalities considerations**

The Due Regard Statement (Appendix A) will be reviewed and updated on completion of work packages (i.e. on completion of design, procurement, on completion of construction, after opening, etc.) to ensure a continuing duty of regard for equality impacts on groups with protected characteristics.

The strengthening actions identified in the Due Regard Statement include:

- Incorporating equality issues identified in the public engagement in the scheme detailed design of the scheme
- Traffic management plan to cater for those with protected characteristics
- Equality and diversity policies from external contractors undertaking construction and operations to be provided
- Monitoring of service users once in operation to identify if groups with protected characteristics are being discriminated against or if this scheme is advancing options for these groups.

The Due Regard Statement demonstrates that 'due regard' has been shown to the three aims of the public sector equality duty (section 149 of the Equality Act 2010) during the development of the 'policy'.

Cabinet Members should read and consider the Due Regard Statement in order to satisfy themselves as decision makers that due regard has been given.

#### **6. Consultation feedback**

A comprehensive engagement exercise has been completed for Phases 1 and 2 of the WCTIS including press releases, letter drops, public share events and emails to key stakeholders.

A total of two Public Share Events covering Phases 1 and 2 of the WCTIS – UK Cyber Park have been held at two different locations in Cheltenham:

1. 18<sup>th</sup> June 2019: Jury's Hotel
2. 20<sup>th</sup> June 2019: St Mark's C of E Junior School

Following a full letter drop of 1,600 letters, the events were well-attended with close to 500 people visiting across the two sessions. At both events, presentation boards were provided with large scale plans and graphics together with scheme introduction, background and FAQs. GCC and Atkins staff were on hand to answer questions from key stakeholders and members of the public.

Consultation has involved a full range of stakeholders for phase 1 and 2 of the project which has included:

- GCC Cabinet Members
- Local County Councillors
- Cheltenham Borough Council
- Tewkesbury Borough Council
- Internal GCC consultees
- GFirst LEP
- Bus Service Providers
- Haulage Associations
- Emergency Services
- Cycle, Walking and Horse Riding Groups
- Highways England
- MP's Alex Chalk (Cheltenham), Laurence Robertson (Tewkesbury) Richard Graham (Gloucester)
- Residents, general public and businesses

Questionnaires were available to complete at the two public share events, a full breakdown of the responses and suggested feedback has been incorporated into the Full Business Case and will be published on the GCC website subject to approval by the GFirst LEP in December 2019.

The feedback received from the two public share events included several themes, notably the difficulty entering Arle Court Roundabout from Fiddlers Green Lane, measures will be incorporated into the design to ease traffic on this approach. Several respondents requested greater emphasis on walking and cycling, the scheme includes a range of infrastructure improvements to maintain and where possible improve provision along the route. The overall feedback suggested that overall the scheme would ease congestion.

The County Council will require that, as part of the tender process, any successful contractor will undertake contractor share events in advance of any works commencing to introduce the contractor, answer any concerns and provide more information on the construction programme. This will be supported by pro-active scheme communications including a press release and an associated letter drop.

## **7. Performance Management/Follow-up**

GCC has set up a clear and robust structure to provide accountability and an effective decision making process for the management of the major projects. GCC-led monthly project boards, monthly standing reports to Lead Cabinet Members and monthly meetings of the Local Transport Plan Management Board are all in place.

Regular monthly updates are provided to the GFirst LEP and they remain an integral member of the Project Board. Robust governance is also supported by the submission of Outline and Full Business Case Submissions to the GFirst LEP along with regular financial reporting.



<b>Report Title</b>	The procurement of highway construction services in connection with the West of Cheltenham Transport Improvement Scheme and UK Cyber Business Park Phases 1 & 2; and making of any Ancillary Orders in relation thereto
<b>Statutory Authority</b>	Highways Act 1980 Traffic Management Act 2004 Local Transport Act 2008 Growth and Infrastructure Act 2013 Infrastructure Act 2015
<b>Relevant County Council policy</b>	Adopted Local Transport Plan (LTP 3) 2016
<b>Sustainability checklist:</b>  Partnerships  Decision Making and Involvement  Economy and Employment  Caring for people	The delivery of the WCTIS aligns with strategic objectives held by a number of key project partners including: Highways England, CBC, TBC and GFirst LEP and has garnered significant support. Strong partnership working has been instilled at project board meetings, all of these parties support the positive progress currently being made regarding the project. During the scheme delivery phase, Gloucestershire County Council retains governance and control of the delivery of the Contract. Gloucestershire County Council will act as the client under the contract with a Contractor appointed via a competitive tender process. Representatives from Gloucestershire County Council or their professional services provider will be appointed to undertake the project management and supervision roles and will be responsible for managing the Contract during the works. The A40 between M5 Junction 11 and Griffiths Avenue is a key commuter corridor linking the M5 with employment areas to the West of Cheltenham including GCHQ and the proposed new Cyber Park site. The congestion along the route is constraining future development and the purpose of the GFirst LEP funding is to help enable the opening up of a strategic employment land allocation by bringing forward transport infrastructure improvements, enabling capacity on the network to accelerate an early phase release of the west of Cheltenham employment site and Cyber Business Park. The local community is severely constrained by the current road network causing severance, air pollution and road safety concerns. The proposed transport schemes will have a positive impact on many of Cheltenham's residential areas by reducing congestion and pollution and supporting accessibility.

Social Value	The WCTIS will support the future development of 45 hectares of employment land and will encourage significant development in line with the adopted Joint Core Strategy and the Gloucestershire 2050 Vision, growing our economy presents the opportunity for Gloucestershire to be a 'magnet' county – growing the working age population by keeping and attracting more 18-40 year olds with high level qualifications who want to live and work in the county.
Built Environment	The proposed transport schemes will help to enable future growth as outlined above.
Natural Environment' including Ecology (Biodiversity)	Careful consideration has been made to offset the effects of the scheme on the natural environment, landscaping will be incorporated into the proposals creating new habitats and providing screening.
Education and Information	As part of any future quality tender evaluation, the successful contractor will need to outline their strategy for community engagement, (school visits / weekly site bulletins / social media and comms plan).
<b>Tackling Climate Change</b>	Carbon Emissions Implications? Positive/ <del>Neutral</del> / Negative Vulnerable to climate change? Yes/ No/ <del>Maybe</del>
<b>Due Regard Statement</b>	Has a Due Regard Statement been completed? Yes/No - considerations included in main body of report  A copy of the full Due Regard Statement can be accessed on GLOSTEXT via <a href="http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1">http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1</a>  Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail: <a href="mailto:jo.moore@gloucestershire.gov.uk">jo.moore@gloucestershire.gov.uk</a> .
<b>Human rights Implications</b>	None
<b>Consultation Arrangements</b>	Public Share Events were held at the Jurys Inn, Cheltenham on the 18 <sup>th</sup> June 2019 and St Marks C of E Junior School on the 20 <sup>th</sup> June 2019 on a drop in basis. Presentation boards were provided with large scale plans and graphics together with scheme introduction, background and FAQs. Extensive feedback from those that attended and from a formal consultation process will be summarised in the Full Business Case.  Pre-consultation included engagement with key stakeholders and interest parties included the Local members, Town and Parish Councils, access and rights of way groups, scheme users and emergency services.