

**REPORT TITLE: Arle Court Transport Hub – Contract Procurement and Ancillary Orders**

<b>Cabinet Date</b>	<b>21<sup>st</sup> July 2021</b>
<b>Cabinet Member</b>	<b>Cllr David Gray - Environment and Planning</b>
<b>Key Decision</b>	Yes
<b>Purpose of Report</b>	<ul style="list-style-type: none"> <li>• To seek Cabinet approval for the Executive Director of Economy, Environment &amp; Infrastructure to conduct a series of competitive procurement processes in respect of the contracts described in the Recommendations section of this report for the supply of construction works and advanced highways and civils works in relation to the Arle Court Transport Hub scheme; and</li> <li>• To award such contracts, upon the conclusion of such procurement processes, to the preferred tenderers evaluated as offering the Council the most economically advantageous tenders.</li> </ul>
<b>Recommendations</b>	<p>That Cabinet delegates authority to the Executive Director of Economy, Environment &amp; Infrastructure (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 under the council's Contractor Partnering Framework Agreement: Major Construction Works 2019, Lot 2 in respect of a call-off contract for the supply of construction works in relation to the Arle Court Transport Hub scheme;</li> <li>2. Conduct a separate competitive procurement process in respect of a contract for the delivery of advanced highways and civil engineering works in relation to the Arle Court Transport Hub scheme;</li> <li>3. Award such contract to the preferred tenderers;</li> <li>4. Make such ancillary traffic regulation orders as are required in order to successfully implement the Arle Court Transport Hub scheme (to include, amongst other things, temporary traffic regulation orders (TTRO's) for temporary speed limits</li> </ol>

	etc. during the construction phase of the scheme).
<p><b>Reasons for recommendations</b></p>	<p>The proposed decision will enable the Council to engage suppliers through the procurement mechanisms above for the purpose of securing construction contracts in respect of the Arle Court Transport Hub scheme, which will provide the best opportunity to meet the timescales set out in the Homes England Grant Determination Agreement for the M5 Junction 10 Project.</p>
<p><b>Resource Implications</b></p>	<p>The Arle Court Transport Hub scheme will be funded through the successful bid to Homes England Housing Infrastructure Fund (HIF) for £249m for the M5 Junction 10 scheme.</p> <p>The procurement strategy for the construction of Arle Court Transport Hub involves the council's use of its existing Asset Management and Property Services (AMPS) Contractor Partnering Framework Agreement: Major Construction Works 2019, Lot 2 which has been used in the past for the council's Gloucester Transport Hub and Quayside House projects. Contracts let under this framework can be used to provide early contract involvement from the Design and Build Contractor.</p> <p>The Arle Court Transport Hub procurement strategy also includes a separate contract for the delivery of the advanced highways and civil engineering works. This approach delivers best value and allows an earlier construction start date.</p> <p>The Executive Director of Economy, Environment &amp; Infrastructure will keep the procurement strategy under review and may make minor updates at a later date for reasons that would be advantageous for the Council in response to changes to project risk, programme or cost constraints.</p> <p>The Arle Court Transport Hub scheme is programmed to start on site (subject to planning approval) in Autumn 2022. The estimated value of the advanced highway and civil engineering works contract thereunder is estimated at less than £3m, with the total value of the scheme (including all contracts) valued as approximately £20m.</p> <p>As scheme promoter, the County Council will be liable for the full cost of the scheme contracts. If additional funding is required, it will be secured prior to the award of the construction contract. Any additional cost will be funded from within the wider M5 J10 scheme funding, or alternative funding, such as sustainability funding (e.g. for photovoltaic cells), highways capital programme, S106 developer contributions, Community Infrastructure Levy, etc.</p> <p>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</p>

	monitored and managed accordingly.
<b>Background Documents</b>	<ul style="list-style-type: none"> <li>• Gloucestershire's Adopted Local Transport Plan <a href="https://www.gloucestershire.gov.uk/transport/gloucestershires-local-transport-plan-2020-2041/">https://www.gloucestershire.gov.uk/transport/gloucestershires-local-transport-plan-2020-2041/</a></li> <li>• Joint Core Strategy <a href="https://www.jointcorestrategy.org">https://www.jointcorestrategy.org</a></li> <li>• M5 Junction 10 Improvement Scheme; Revenue budget approval and Homes England contract conditions agreement <a href="https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=1493">https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=1493</a></li> </ul>
<b>Statutory Authority</b>	<p>Highways Act 1980</p> <p>Traffic Management Act 2004</p> <p>Local Transport Act 2008</p> <p>Growth and Infrastructure Act 2013</p> <p>Infrastructure Act 2015</p>
<b>Divisional Councillor(s)</b>	Cllr Roger Whyborn - Benhall and Up Hatherley
<b>Officer</b>	<p>Any representations should be sent to:</p> <p>Name: Kath Haworth, Head of Highway Authority</p> <p>Email: Kathryn.Haworth@gloucestershire.gov.uk</p> <p>Tel: 01452 328792</p>
<b>Timeline</b>	<p>Outline design (for planning) – Summer 2021</p> <p>Submit planning application – Autumn 2021</p> <p>Consultation (as part of planning application) – Autumn 2021</p> <p>Procurement – Autumn / Winter 2021</p> <p>Construction Start – Autumn 2022</p> <p>Construction End – Autumn 2023</p>

## Background

1. Gloucestershire faces significant challenges to achieve its vision for economic growth. A Joint Core Strategy (JCS) – a partnership between Gloucester City Council, Cheltenham Borough Council and Tewkesbury Borough Council was adopted to produce a coordinated strategic development plan to show how the area will develop during the period up to 2031. This includes a shared spatial vision targeting 35,175 new homes and 39,500 new jobs. Major development of new housing (c.9,000 homes) and employment land (c.100ha) is proposed in strategic and safeguarded allocations in the West and North West of Cheltenham. This, in turn, is linked to wider economic investment, including a government supported and nationally significant Cyber Park 2 adjacent to GCHQ, predicted to generate c.7,000 jobs.
2. To unlock the housing and job opportunities in Gloucestershire around Junction 10 of the M5, additional highway capacity is required to accommodate the expected increased motorised and non-motorised traffic. In March 2019, a Business Case was submitted by Gloucestershire County Council (GCC) to the Housing Infrastructure Fund (HIF), wherein an investment case was made for the following infrastructure improvements, which together make up the M5 Junction 10 Improvements Scheme:
  - An all-movements junction at M5 Junction 10
  - A new West Cheltenham Link Road from J10
  - Widening of the A4019 to the east of the Link Road
  - A38/A4019 junction improvements at Coombe Hill
  - Extension to Arle Court Park and Interchange
3. This Cabinet Paper Report relates to the procurement of the final element; expansion of the existing Arle Court Park and Ride site to form a new transport interchange, now known as Arle Court Transport Hub.
4. The existing park and ride site is a 576 capacity, surface level open air car park. The facility is in a strategically important location to the south of the A40 dual carriageway, adjacent to the Arle Court Roundabout, close to Junction 11 of the M5 on the west side of Cheltenham. The site is owned and maintained by Gloucestershire County Council and there are a number of regular bus services that service the site. In recent years, parking charges were introduced for non-bus users in order to manage the demand for parking spaces.
5. The creation of a Transport Hub has the aim of easing travellers' journeys between their cars and making available more appropriate transport modes for local journeys in and around central Cheltenham. The project looks to reduce congestion and pollution on the A40 and ease people's transition to incorporate sustainable transport into their everyday habits. In this context, this predominantly means bus, walking and cycling options.

6. The key aspects required to achieve GCC's ambitions for the site as well as future challenges and opportunities needed to make the scheme successful are as follows:
- Approximately doubling the site's parking capacity with a new multi-storey car park;
  - Provide an allocation of electric vehicle charging spaces, with the capability in to increase the number of EV spaces in the multi-storey car park in the future;
  - Expansion of the bus capacity and space to turn around to enable increased services in future including long distance coaches;
  - Allocation of coach parking and future proofing for electric buses;
  - Addition of a waiting passenger facility building;
  - Upgrade of access to and from the site for walking, cycling and electric scooters and enhanced storage of active vehicles on site;
  - Improved bus and car park access;
  - Excellent sustainability credentials including on-site solar renewable energy generation.

## Options

7. The options for Cabinet are as follows:
- Option A: To authorise the Executive Director of Economy, Environment & Infrastructure to progress the Arle Court Transport Hub scheme as set out in this report's recommendations; or
  - Option B: Decline to authorise the recommendation. The Homes England Housing and Infrastructure Fund (HIF) funding described in this report is secured on the basis that the scheme shall be delivered in its entirety by the dates shown in the grant determination agreement. If suitable procurement mechanisms cannot be put in place the Homes England funding for the project in its entirety would be at risk.

## Risks

8. 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 in relation to delivering the Arle Court Transport Hub can be summarised as follows:

### Delays to planning approval

9. Any delays to the submission or approval of the planning application would result in delays starting the construction works. Any changes required to the design as a result of the planning process are also likely to introduce delays and increased cost.

### Increase in construction cost estimate

10. The capital costs of the scheme increase as a result of factors uncovered during surveys and later design stages. The Arle Court project management team provide regular budget monitoring scheme updates to the M5 Junction 10 programme team through the implementation of stage management plans. If budget forecasts indicate additional funding is required, this will be raised with the programme team and funding be sought from either the wider Junction 10 scheme risk allocation or alternative sources. Value engineering exercises can also be used to minimise costs.

### Changes to M5 Junction 10 Scheme

11. The Arle Court scheme is fully funded as part of the wider M5 Junction 10 Homes England HIF bid. Should there be any changes to the progress of the Junction 10 scheme, the funding for the Arle Court Transport Hub scheme would be put at risk.

### Delays to West of Cheltenham Transport Improvement Scheme (WCTIS)

12. The eastern end of the park and ride site is currently being used by the WCTIS scheme as a site compound. Any delays to the completion of the WCTIS scheme would impact on the start of the construction of the transport hub.

## **Financial implications**

13. Funding for the design and construction of the Arle Court Transport Hub scheme is fully secured through the successful M5 J10 bid to Homes England's Housing Infrastructure Funding (HIF).
14. The budget estimates for the construction of the scheme will be updated as the design progresses. Should the estimates increase above the level of the initial allocation, confirmation of additional funds or amendments made to the design will be required prior to the award of construction contracts.
15. As scheme promoter, the County Council will be liable for any future cost overruns associated with the delivery of the Arle Court Transport Hub scheme. This will be funded from within the wider J10 HIF funding envelope or alternative funding, such as funding sources for renewable energy or electric vehicle charging, the highways capital programme, Section 106 developer contributions, Community Infrastructure Levy, etc.
16. 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.

## **Climate change implications**

Carbon Emissions Implications ? Positive / ~~Neutral~~ / ~~Negative~~

Vulnerable to climate change? ~~Yes~~ / No / ~~Maybe~~

17. Arle Court Transport Hub has a framework in place to ensure the scheme has excellent sustainability credentials in design, construction and operation. A sustainability toolkit is in the process of being developed to link legislation, policy and aspirations for the scheme to

the objectives and outcomes. The toolkit contains bespoke carbon assessments in line with latest guidance, providing a full range of analysis from a mandatory assessment for building control, through to detailed assessments of full operational energy usage. Further assessments will also take place on biodiversity and ecology to ensure a high standard of environmental performance is achieved across the scheme.

18. The Arle Court Transport Hub will provide a significant allocation of electric vehicle (EV) charging spaces within the multi-storey car park. There will be an initial allocation of approximately 100 charging spaces which ensures that the site becomes the largest EV charging location in Gloucestershire. The design and construction of the car park will also be carried out to allow for the significant future expansion of EV charging points. Provision within the design will 'future proof' the car park and allow for a large majority of spaces in the multi-storey car park to be upgraded to EV charging as demand requires. Increasing the EV parking spaces to 150 can currently be accommodated using the existing power networks in the area.
19. The aspiration for the scheme is net zero carbon from day to day operations. Due to the current early position of the scheme within its project lifecycle, further options analysis will take place around how this can be delivered including the consideration of any additional costs that may be required. The scheme will include an allocation of photovoltaic cells to provide a green source of energy to power the car park and building. The size of the array of photovoltaic cells will be confirmed at detailed design stage, however estimates show the solar power generated could provide in excess of the power required for the operation and maintenance of the site. Further calculations taking place during the next design phase to assess the carbon impact of construction. Carbon savings will also be implemented through the scheme supporting the transition to electric vehicles through the commitment to electric vehicle charging and encouraging the switch from private car use to more sustainable means.
20. The photovoltaic cells also play a key role in the charging of electric vehicles. The power generated on site will be utilised straight to the EV charging points as they provide a very effective on-site use of the power generated. The EV strategy will look to utilise as much of the energy generated on site, with early design estimates suggesting up to half of the initial allocation of EV spaces could be powered by a full array of photovoltaic cells in favourable conditions.

## **Equality implications**

Has an Equalities Impact Assessment (EIA) been completed? Yes / No

21. The Equalities Impact Assessment (EIA) (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.
22. The strengthening actions identified in the Equalities Impact Assessment (EIA) include:

- Monitoring of service users once in operation to identify if groups with protected characteristics are being discriminated against or if this scheme is advancing opportunities for these groups. This could be done through user surveys;
- We will consider further improvements to design elements and stakeholder engagement to ensure no one is left behind;
- Appropriate traffic management plan and information provision during construction stage to consider severance and obstruction issues for those with protected characteristics;
- Supply of equality and diversity policy details from external contractors involved in the provision of construction and operation services.

23. The Equality Impact Assessment 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 proposed procurement route to deliver the project.

24. Cabinet Members should read and consider the Equality Impact Assessment in order to satisfy themselves as decision makers that due regard has been given.

### **Data Protection Impact Assessment (DPIA) implications**

25. During stages of the scheme (such as the key stakeholder engagement feedback), where data has been collected it will be anonymous and any personal data will be treated as confidential and in accordance with UK GDPR laws and Gloucestershire County Council's data protection policy.

26. Future contact with members of the public will only be made in relation to the scheme if they have signed up for the Arle Court Transport Hub scheme news bulletin.

### **Social value implications**

27. The Arle Court Transport Hub will help support access to jobs and services for residents along the A40 corridor and GCHQ cyber hub. The scheme looks to facilitate sustainable transport options and reduce the number of cars on the A40 which pass through both noise and air quality management areas.

28. The scheme will also will provide connections to future development in the area, including strategic housing sites, business developments and the Cyber Central development to the west of Cheltenham. Cyber Central will provide 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.

29. The scheme will also provide the opportunity for sustainable travel with the introduction of connected cycle infrastructure and e-scooters. Thus, reducing the congestion on the A40 corridor.

30. The Contracts let for Arle Court Transport Hub will embrace social value collaboratively and leave a legacy of positive, social and environmental change for everyone involved: GCC, contractor, supply chain and local community. These positive steps are evidenced in better working conditions, social inclusion, environmental efficiencies, local procurement & social enterprise spend, work placements, job creations, school/college career events, partnership mental health training and fitness for work sessions.

## **Consultation feedback**

31. An engagement exercise has been completed for initial proposals for Arle Court Transport Hub to gather feedback from key stakeholders and impacted residents in the vicinity of the site. Engagement channels have included emails, letters to residents, a dedicated webpage on the Council's website, MP, GCC and Cheltenham Borough Council member briefings and meetings with the project team.

32. To date, over thirty stakeholders have been contacted as part of the targeted engagement including:

- Local businesses and business groups including the Cheltenham BID, Chamber of Commerce, GFirst LEP and Gloucestershire Hospitals NHS Foundation Trust;
- Disability interest groups;
- Environmental interest groups;
- Travel and transport interest groups including Gloucestershire County Council Cycling Advisory and Liaison Group and Elective Vehicle Owners Groups;
- Transport Operators including Bus Service Providers;
- Gloucestershire County Council and Cheltenham Borough Council members and Council officers;
- MP's for Cheltenham, Gloucester and Tewkesbury; and
- Local Residents in the immediate vicinity of the site.

33. A dedicated inbox was set up to engage, monitor and respond to stakeholders as well as providing a telephone number if stakeholders were unable to contact the Stakeholder Engagement and Communications Team via email. Virtual stakeholder workshops were held with many key stakeholders and online meetings offered to residents who live adjacent to the site. All engagement was logged and fed back to the project team.

34. The feedback received from all of the engagement to date included several themes, notably coaches and parking, active travel, passenger facilities and operating hours and landscaping. A breakdown of the responses and feedback will be summarised and considered as part of the next stage of design. Overall, the feedback suggested that stakeholders recognised the potential benefits of the scheme and opportunity the scheme presents to improve the local transport network.

35. The County Council will hold follow up discussions where necessary following the review of feedback provided.

36. The next phase of consultation will take place as part of the planning application later in the year.

37. 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.

### **Officer recommendations**

38. That Cabinet approves the recommendations as set out in this report.

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

39. 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. A GCC led six-weekly Programme Board and Steering Group are in place and Lead Cabinet Members are updated through regular reports as required.

40. Governance of the projects are set out within the Programme Execution Plan (PgEP), this defines the structure, roles and responsibilities of GCC within the project and further details the governance and decision-making process. Monthly updates will be produced from each project as a Highlight Report, all key findings from project Highlight Reports are to be collated as a Dashboard report and used at the Programme Board and Steering Group meetings to provide project updates.

41. Robust governance is also supported by the submission and ongoing assessment of the Homes England processes and regular financial reporting. A comprehensive bid submission was also presented to the Homes England when securing the HIF funding.