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| Report to: | Cabinet | Date of Meeting: | Thursday 4 January 2024 |
| Subject: | Procurement Strategy for Southport Eastern Access - Phase 1 | | |
| Report of: | Assistant Director of Place (Highways and Public Protection) | Wards Affected: | Dukes; Kew; Norwood; |
| Portfolio: | Cabinet Member - Locality Services - Deputy Leader | | |
| Is this a Key Decision: | Yes | Included in Forward Plan: | Yes |
| Exempt / Confidential Report: | No | | |

Summary:

This report seeks Cabinet approval to appoint Balfour Beatty under the Scape Framework to provide Early Contract Involvement in the development of the works information for the first Phase of the Southport Eastern Access scheme with a view to a further appointment to deliver the works. The Southport Eastern Access scheme seeks to deliver highway improvement measures at a series of junctions and links on the eastern approaches to Southport improve access and safety for all road users to the town centre from the east. The Scape Framework allows a contractor to be appointed during the scheme design and development; the provide a Feasibility report at no cost, followed by an Early Contractor involvement stage during which a Target Cost is established and other pre construction activities undertaken leading to a Contract to deliver the works.

Recommendation(s):

- (1) Approves the appointment of Balfour Beatty under the Scape Framework to offer Feasibility input into the development of the first Phase of the Southport Eastern Access Scheme at no cost to the Council.
- (2) Gives delegated authority to the Assistant Director of Place - Highways & Public Protection, following consultation with Cabinet Member, to award the Contract for Early Contractor Involvement (ECI) in the construction of Southport Eastern Access Phase 1 works to Balfour Beatty, subject to the Feasibility Input (above) and receipt of a Grant Funding Agreement from the Liverpool City Region Combined Authority.
- (3) Gives delegated authority to the Chief Legal and Democratic Officer, following consultation with Cabinet Member, to sign the grant funding agreement for the necessary Development Funding to enable the ECI stage of the project to be undertaken.
- (4) Gives delegated authority to the Assistant Director of Place - Highways & Public Protection, following consultation with Cabinet Member, to award the Contract for

the construction of Southport Eastern Access Phase 1 works to Balfour Beatty, subject to the Feasibility Input and ECI (above) and receipt of a Grant Funding Agreement.

- (5) Gives delegated authority to the Chief Legal and Democratic Officer, following consultation with Cabinet Member, to sign the grant funding agreement for the necessary works funding to enable the construction stage of the project to be undertaken.
- (6) That Cabinet approve a supplementary capital estimate of £450k for Development Funding secured from the Liverpool City Region Combined Authority into the Transport Capital Programme for 23-24 pending receipt of a Grant Funding agreement..

Reasons for the Recommendation(s):

The Liverpool City Region Combined Authority (LCRCA) has received a City Region Sustainable Transport Settlement allocation from the Department for Transport to deliver highway improvement and maintenance projects throughout the City Region by March 2027. Within the recently completed re-baselining exercise an allocation of funding for £16.8m has been identified to fund Southport Eastern Access projects. It is recognised that careful planning and co-ordination of all the elements of work will be critical to ensure the works are delivered within the window and that disruption is minimised as far as possible. Early Contractor Involvement, as offered by the Scape Framework, has the advantage of ensuring that the works are well programmed, buildability of the scheme is considered at an early stage and that the period between completing the design (and agreeing a contract cost) and the works commencing will be reduced. This should ensure that greater cost certainty is achieved, construction risks are reduced and the works are more likely to be delivered within the funding window.

The use of the Scape Framework has been welcomed by the LCRCA as they see the benefits, particularly in giving more certainty of delivering the scheme in the timeframe.

Alternative Options Considered and Rejected: (including any Risk Implications)

The works could be delivered using a tendering process. This would introduce some further competition into the procurement process. However, the project planning wouldn't have the benefit of contractor input until following the award of the contract for the works thus increasing the risk of delay and claims. There is also the risk that contractors may chose not to tender due to current workloads. The tender appraisal process would also shorten the time available for construction and therefore increase the risk of the funds not being expended by the deadline.

What will it cost and how will it be financed?

(A) Revenue Costs

None

(B) Capital Costs

The Feasibility Stage of the Commission comes at no cost to the Council.

The Early Contractor Involvement stage is charged at a percentage of the Works cost which determined at Feasibility Stage. The percentage is fixed by the rate agreed in the Scape Framework.

The ECI process enables the Target Cost for the scheme to be established through detailed consideration with the supply chain. It also allows for the programme to be developed. Under the Scape framework, it is expected that the Council will award the main works Contract in recognition of the ECI work but there is no legally binding requirement. These costs will be funded through the LCRCA Development Fund subject to a successful appraisal as part of the LCRCA Gateway Process and approval of a supplementary capital estimate in the Transport Capital Programme as per the Council's Financial Procedure Rules.

The Construction and any ancillary costs, following award of the main contract, will be funded from the allocation within the City Region Sustainable Transport Settlement (CRSTS). The Council will receive a Grant Funding Agreement (GFA) setting out the terms and conditions of the Capital Funding subject to a successful appraisal as part of the LCRCA Gateway Process. These GFA conditions will be reviewed and the funding brought into the Capital Programme subject to approval of a supplementary capital estimate by Cabinet and Council.

Implications of the Proposals:

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| <p>Resource Implications (Financial, IT, Staffing and Assets):</p> <p>The management of the contract will be overseen by staff in Transportation Planning and Highway Development team. The contract administration and supervision will be undertaken by a team from the existing Transport Technical Services Supply Framework. The intention being that this team will administer and supervise several larger capital schemes which are expected for delivery at the same time.</p> <p>The staff costs incurred prior to the award of the Contract will be funded from the Development Funding secured by the Council from the LCRCA which is contained within the Transport capital Programme. Staff Costs, once the contract for the works is awarded, will be funded from the capital funding secured for the construction.</p> |
| <p>Legal Implications:</p> <p>As determined by the Council's Contract Procedure Rules, the contract for the works will need to be sealed.</p> |
| <p>Equality Implications:</p> <p>An Equality Impact Assessment will be completed on the detailed design prior to construction. This should determine whether there are equality implications.</p> |
| <p>Impact on Cared for Children and Care Experienced Young People:</p> |

The Impact of the scheme cared for children and care experienced young people will be considered as part of the Equality Impact Assessment. Options for positive impacts will be considered in the development of the Social Value commitments that the Contractor will be expected to provide.

Climate Emergency Implications:

The recommendations within this report will

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| Have a positive impact | Y/N |
| Have a neutral impact | Y/N |
| Have a negative impact | Y/N |
| The Author has undertaken the Climate Emergency training for report authors | Y/N |

This report relates to the Procurement exercise which by its nature will have little impact. The construction process will have negative impact in that new materials will be used and there will be a net carbon increase. There will also be a negative impact on traffic movements on the impacted streets whilst works are ongoing.

However, the scheme when implemented, will improve accessibility and should encourage people to walk, cycle or use public transport . This should reduce the carbon impact.

Contribution to the Council's Core Purpose:

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| Protect the most vulnerable: Not applicable. |
| Facilitate confident and resilient communities: The scheme aims to ensure that highway safety and accessibility is improved and provides some opportunity for community developed public realm improvements. |
| Commission, broker and provide core services: Not applicable. |
| Place – leadership and influencer: Not applicable |
| Drivers of change and reform: Not applicable |
| Facilitate sustainable economic prosperity: The scheme should help improve access to tourism facilities in Southport. |
| Greater income for social investment: Not applicable. |

Cleaner Greener

The scheme should improve walking and cycling in the local area by joining cycle infrastructure and making areas of employment easier to access on foot.

What consultations have taken place on the proposals and when?**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD7453/23) and the Chief Legal and Democratic Officer (LD5553/23) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Consultation on the highway proposals formed part of the wider consultation on The Southport Eastern Access Scheme. This consultation was completed in early 2022 in accordance with the proposals approved by the Public Consultation and Engagement Panel. Further detailed engagement with Ward Members, key stakeholders, residents and business was completed in October. Public Engagement, showing further details of the scheme has been undertaken in November and December and results are being appraised.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Cabinet decision.

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Appendices:

Appendix A – General Arrangement Plans

Background Papers:

None

1.0 Introduction/ Background

- 1.1 The Liverpool City Region Combined Authority (LCRCA) approved the Outline Business Case (OBC) for the Southport Eastern Access (SEA). This was a series of junction and link improvements on key routes on the eastern approach to Southport including the re-opening of Foul Lane. The proposals were intended to reduce congestion, particularly on days when large numbers of visitors are attracted to the town. The measures were also designed to improve safety and accessibility. In the development of the proposals further consideration was given to how people walking or cycling could better access the town centre and hence the scope of the scheme was developed further to include a significant active travel element..
- 1.2 The Council were invited to develop and submit a Full Business Case (FBC) on the understanding that all costs incurred would be funded from a Development Fund administered by the LCRCA. A condition of this funding was that the scheme be developed to detailed design stage prior to the FBC submission. It was believed that this would improve cost certainty.
- 1.3 An allowance of funding of £12m was originally identified by the LCRCA in the distribution of funds from the City Region Sustainable Transport Settlement to fund all the works set out within the OBC for Southport Eastern Access. It was acknowledged that this had to be expended within the lifespan of the current CRSS programme, i.e. before March 2027.
- 1.4 The LCRCA then were asked by the Department for Transport (DfT) to review the programme and reprofile to reflect revised costs and likely deliverability within the funding window. Local Authorities were then asked to review their schemes and identify likely costs to enable the programme to be 're-baselined'. As a result of this exercise, the allocation towards the SEA scheme was increased to £16.8m.
- 1.5 In discussions with the LCRCA, the Council have identified works contained within the Original Business Case which can be delivered for this allocation and hence by March 2027. The exact scope will be agreed when further costing work is completed.
- 1.6 It is accepted that some of the works require land to be purchased and whilst every effort will be made to secure this land by negotiation, it is accepted that, subject to approval, compulsory purchase powers may be needed. As the land acquisition process will take some time it is accepted that some of the work will be delivered towards the end of the current window. The elements of work which don't require land have been identified. These elements represent Phase 1.

2.0 Scheme Proposals and Funding

- 2.1 In determining the scope of works to be included in Phase 1, each element of the project has been reviewed to identify those elements where land take isn't or where land take is minimal and where a significant positive impact can be made.

2.2 The proposals for Phase 1 include the following;

- localised widening at the junction of Bispham Road and Norwood Road
- junction improvement including widening at the junction of Sussex Road and Norwood Road
- the reopening of Foul Lane to Traffic
- a series of improvement and traffic mitigation measures in the Norwood area.

2.2 The general arrangement plans are contained with Appendix A. It is intended that the improvement will be taken to the Council's Licensing and Regulatory Committee at the March 2024 meeting. The report will include feedback from the consultation completed in November and December, centred on the elements related to Phase 1.

2.3 The Phase 2 of the scheme, which will be the elements delivered as part of the current CRSTS programme from the £16.8m allocation less the costs of the Phase 1 work will be further defined in due course. They will almost certainly include the active travel element on the Foul lane corridor and works at Kew Roundabout.

2.4 It should be noted that Phase 1 of the proposals includes an allocation of funding for traffic mitigation, safety and potential public realm improvements in the Norwood Ward area. It is recognised that the reopening of Foul lane brings benefits, it could lead to a potential increase in rat running through the Norwood area. Therefore, we are exploring measures that can be put in place to ensure that traffic uses the main roads and is discouraged from travelling through residential areas.

2.5 In developing these proposals, it is proposed that a community lead approach is adopted whereby initial mitigation and improvement ideas can be shared with Ward members and the community and engagement work can be undertaken with the local schools to discuss proposed interventions to increase the safety of the area, in particular for those walking and cycling to and from school. This work will also consider proposed housing developments in the area. A time frame is being established for this engagement process. The challenge will be to ensure that the mitigation measures are in place prior to the opening of Foul Lane.

2.6 The Council have been invited to make an application of further development funding to take the project through to the Construction stage. The bid will include all costs, including those incurred through the ECI process. The LCRCA will consider this application using their gateway assessment process. If successful a Grant Funding Agreement will be received. The application will be submitted in January 24 with a GFA anticipated in March.

2.7 It is anticipated that the funding of the Phase 1 of the construction activity and any ancillary costs will be granted once a further gateway assessment is completed. the information required for this submission will include the Full Business Case. If approved, the GFA to enable the construction to proceed is anticipated in September or October 2024.

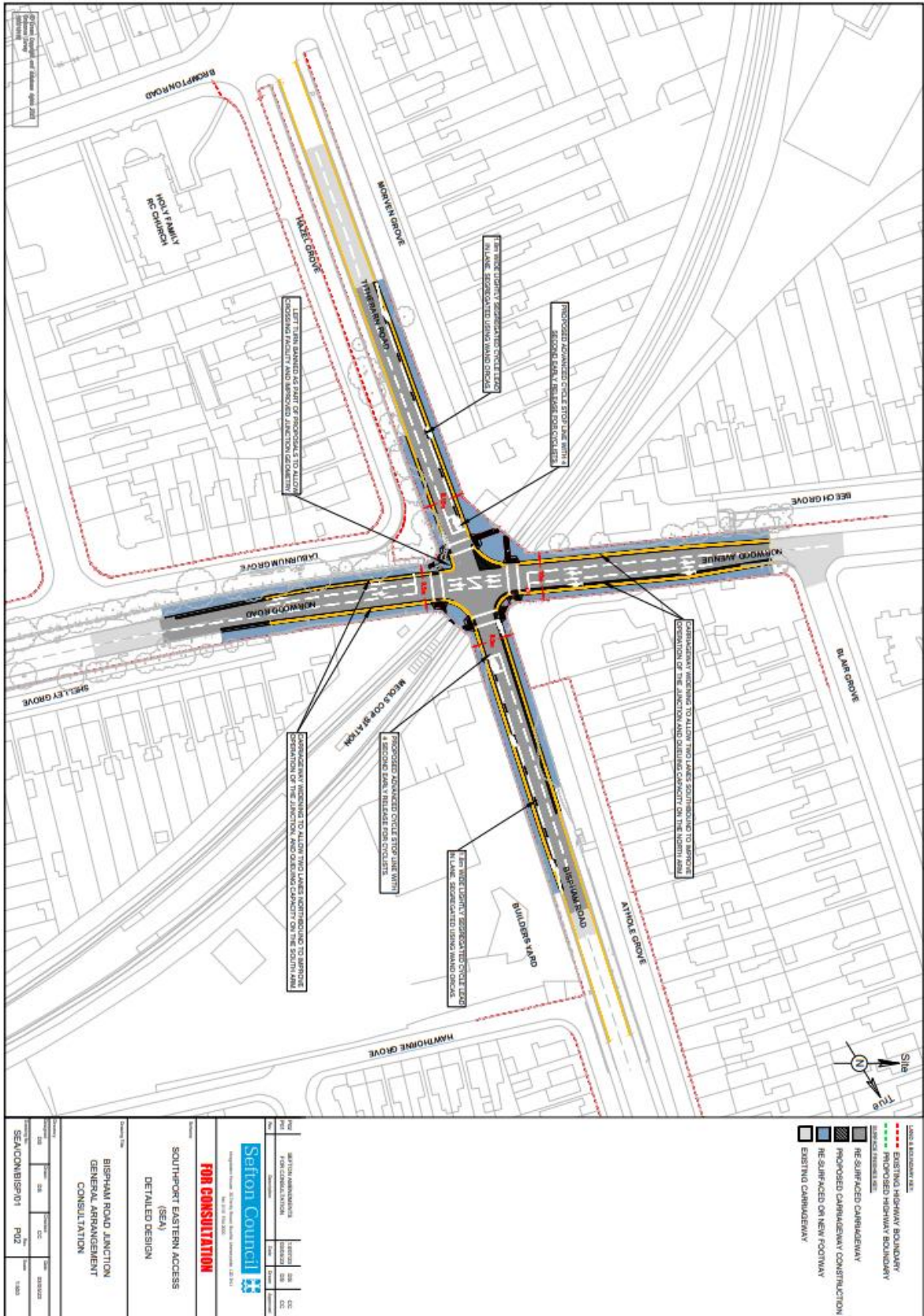
3.0 Procurement Process

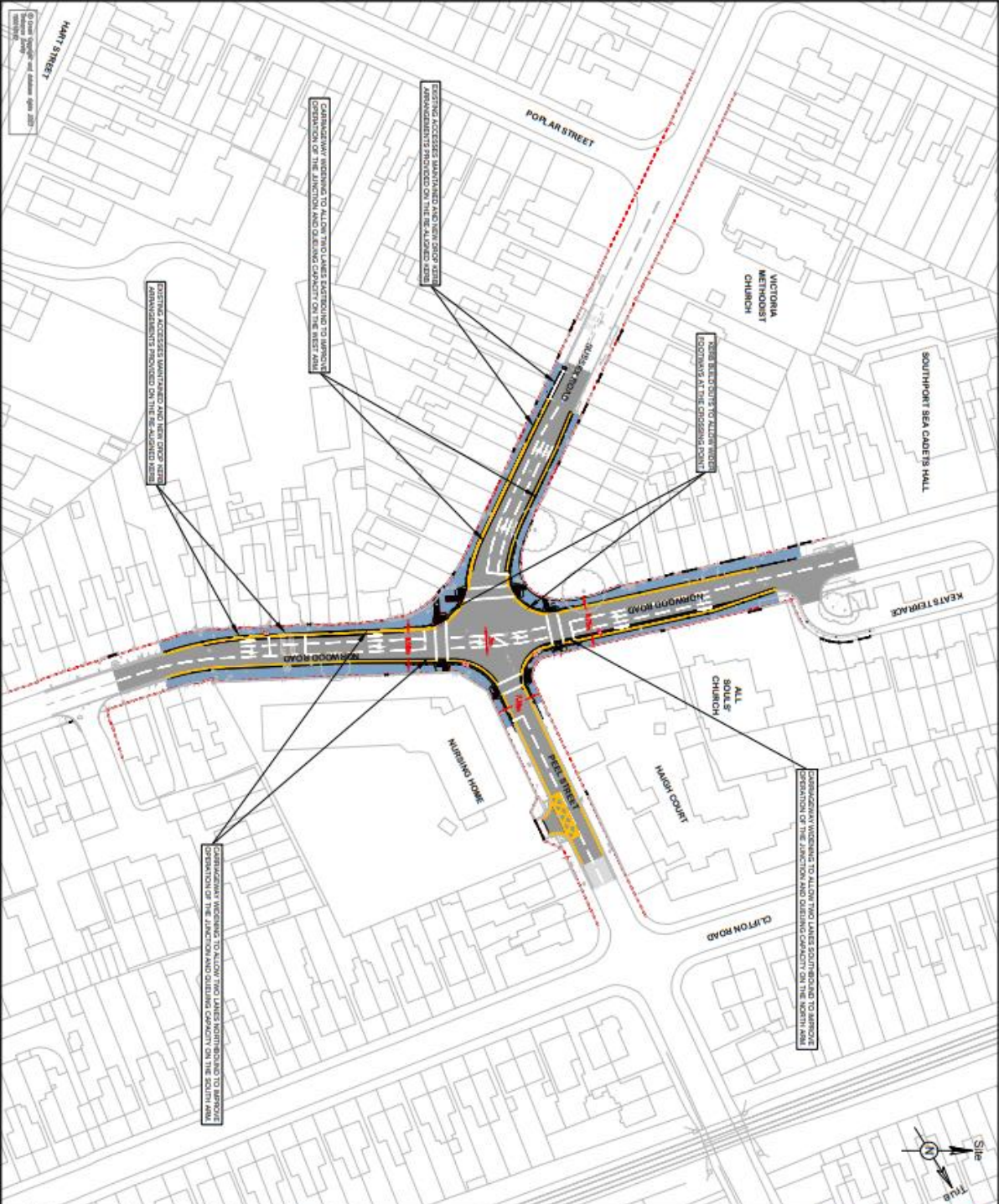
- 3.1 The Council have entered into an agreement with Scape which enables the Framework to be used of the delivery of construction projects.
- 3.2 The Scape Civil Engineering Framework is a single supplier framework designed for use by public sector organisations in which the successful Contactor, Balfour Beatty has been through a competitive tender process aimed at fixing Contractors overheads and profits. These tendered figures will then be applied to costs provided by the supply chain and the contactor builds up prices for the works based on the completed design.
- 3.3 There are three stages to the process under the commission. The first is the Feasibility Stage. This is a service, offered by the Contractor, Balfour Beatty, to assist the Officers and Atkins Realis, as one of the Councils Transport Technical Services Supplier, in the compilation of the detailed design and works information, in the development of the outline Contract Price, the establishment of an initial Social Value Plan and in the programming of the works including any statutory undertakers diversion. This results in a Feasibility Report.
- 3.4 Following a review of the report by Officers, Balfour Beatty can then be commissioned, under an appropriate form of Contract, to complete an Early Contractor Involvement (ECI) exercise in which the detailed design drawings and other Works Information is scrutinised and a Target Cost and Programme of implementation developed. This work is charged at a fixed rate applied to the anticipated works costs arising from the Feasibility Exercise. The fixed percentage is derived from tendered rates which are set out in the Scape framework.
- 3.5 The ECI process will also allow for any enabling works to be undertaken and will consider the programming of the and potential management of any statutory undertakers diversion work necessary to be completed before the works commence.. The outcome from this exercise is a report containing the Target Cost, programme, confirmation of any enabling work and other relevant information.
- 3.6 It should be noted that this ECI exercise will be dependent on the Council securing the appropriate development funding, following a review through the LCRCA Gateway process. A letter of confirmation or GFA is expected.
- 3.7 In developing the Target Cost for the scheme, The Construction fee and preliminaries fees are fixed, based on the tendered figures. The Sub Contracts packages will be established by securing costs from three suppliers. This process is open and transparent and will be overseen by the Council's team.
- 3.8 This ECI report will then be assessed by officers, shared with Cabinet Member Locality Services prior to the award of the main contact for the Works. The Contract will only be entered into when the assessment has been completed and

all information provided deemed to be in accordance with the conditions within the Scape Framework.

- 3.9 The works contract, which be a separate contract to the ECI process, will only be signed once the works funding has been secured, the appropriate GFA received and funding brought into the Council's Capital Programme.
- 3.10 It should also be noted that the Scape framework commits the contractor to developing a Social Value Action Plan with the Council. Targets are established which agree percentages for local labour, local spend, percentage of waste diverted form landfill and SME engagement. These targets are measured by the Scape team throughout the delivery of the works and a regular report will be given to Cabinet Member.
- 3.11 The Scape Framework requires the contractor to report on their targets including Social Value Commitment and other Key Performance Indicators (KPIs).
- 3.12 Should the recommendation be approved, the performance of Balfour Beatty will be assessed, using these KPI's and this will help influence the decision over whether Phase 2 of the Southport Eastern Access scheme, i.e. that not included in Phase 1, will be delivered using the Scape Framework.
- 3.13 The following points should also be noted;
 - 1) that procurement advice has been sought;
 - 2) that this appointment is allowed under the relevant framework 3)
 - 3) the use of this framework is in accordance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

Appendix A





- Site
- TRB
- EXISTING HIGHWAY BOUNDARY
 - PROPOSED HIGHWAY BOUNDARY
 - PROPOSED CARRIAGEWAY
 - PROPOSED CARRIAGEWAY CONSTRUCTION
 - RESURFACED OR NEW FOOTWAY
 - NEW REGENERATED CYCLEWAY
 - NEW RAISED ENTRY TREATMENT
 - SOFT LANDSCAPING
 - EXISTING CARRIAGEWAY

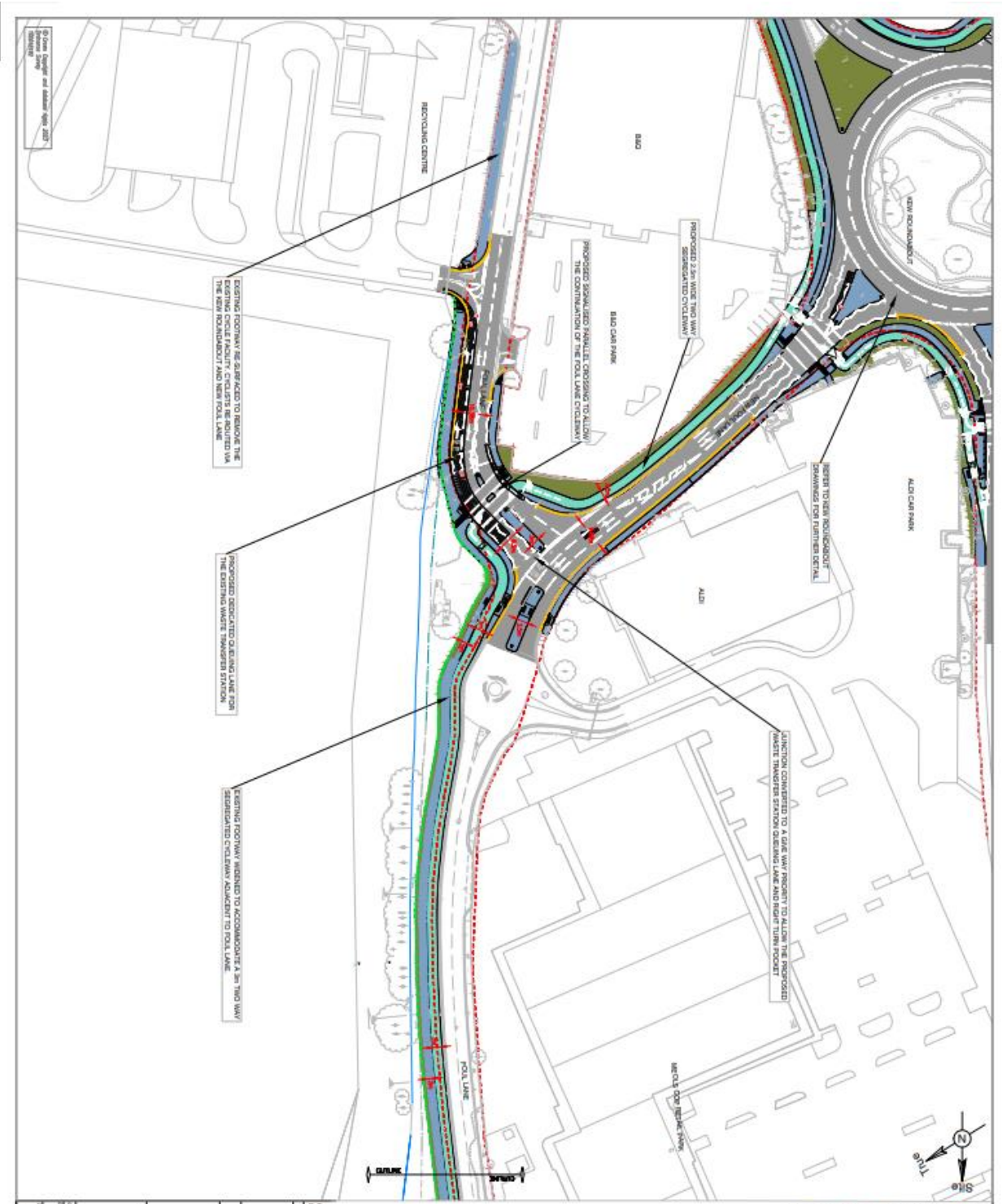
FOR CONSULTATION

Sussex Council

SOUTHPOINT EASTERN ACCESS (SEA) DETAILED DESIGN

SUSSEX ROAD JUNCTION GENERAL ARRANGEMENT CONSULTATION

SEACON/ISS/S01 P12




EXISTING FOOTWAY TO BE SURFACED TO REMOVE THE EXISTING CYCLE FOOTWAY. CYCLISTS TO BE ROUTED VIA THE NEW ROUNDABOUT AND NEW FOUL LANE

PROPOSED SIGNALISED FULFILLING CROSSING TO ALLOW THE CONTINUATION OF THE FOUL LANE CYCLEWAY

PROPOSED SIGNALISED FULFILLING CROSSING TO ALLOW THE CONTINUATION OF THE FOUL LANE CYCLEWAY

EXISTING FOOTWAY WIDENED TO ACCOMMODATE A TWO WAY SEGREGATED CYCLEWAY ADJACENT TO FOUL LANE

- LINE & BOUNDARY SET
- EXISTING HIGHWAY BOUNDARY
- PROPOSED HIGHWAY BOUNDARY
- EXISTING FOOTWAY
- PROPOSED FOOTWAY CONSTRUCTION
- RE SURFACED CARRIAGEWAY
- RE SURFACED ON NEW FOOTWAY
- NEW SEGREGATED CYCLEWAY
- SHARED USE FOOTWAY / CYCLEWAY
- NEW RAISED ENTRY TREATMENT
- SOFT LANDSCAPING
- EXISTING CARRIAGEWAY



FOR CONSULTATION

SOUTHPORT EASTERN ACCESS
 (SEA)
 DETAILED DESIGN

FOUL LANE ENHANCED CYCLEWAY
 GENERAL ARRANGEMENT
 CONSULTATION
 (Sheet 1 of 2)

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| DATE | NO | BY | REVISION |
| 15/01/2024 | 001 | SEA | ISSUED FOR CONSULTATION |
| 15/01/2024 | 002 | SEA | REVISED |

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