

4 July 2019**Agenda Item:10****REPORT OF CORPORATE DIRECTOR, PLACE****GEDLING ACCESS ROAD – PROGRESS REPORT****Purpose of the Report**

1. To inform the Committee of progress on the Gedling Access Road.
2. Approve the County Council entering into Contract with Balfour Beatty to deliver the Gedling Access Road and a requirement that a further report is brought to a future Committee meeting confirming final target costs prior to the formal contractual instruction being given to commence works on site.

Information

3. The Gedling Access Road (GAR) is a new highway which will be a classified road from the B684 Mapperley Plains in a south-easterly direction for a distance of 3.8 km to its junction with the A612 at Trent Valley Road / Nottingham Road. The attached drawing GAR/NCCL01 Rev A shows the route of the GAR.
4. There has been a number of reports provided to relevant committees on the GAR for both approvals and endorsing, these are listed as background papers.
5. The primary objective of the GAR is that it will enable the sustainable redevelopment of the former Gedling Colliery / Chase Farm site and adjoining land for mixed-use purposes by providing safe and adequate access to the proposed residential, employment and community related uses envisaged for these sites.
6. The secondary objective of the GAR is that it will also provide a 'bypass' link to the east of Gedling, with the wider road network and consequently Nottingham City Centre. The construction of GAR will have positive impacts to the transport network by improving connectivity of the local road network and reducing traffic flows along the A6211 Arnold Lane / Main Road corridor thereby reducing traffic congestion in Gedling Village. Such roads are at present either at, or nearing, capacity and therefore provide neither a safe nor a pleasant environment for both local residents and drivers.
7. The transport user benefit appraisal for GAR indicates that journey time savings and other safety and efficiency benefits are worth at least £73 million (Present Value of Benefits) and this generates a benefit to cost ratio (BCR) of 2.4 against the total scheme costs (Present Value of Costs). The economic case submitted as part of the Full Business Case to the D2N2 Local Enterprise Partnership (LEP) has passed independent assessment.
8. It is considered that there is a robust case for the GAR, and subject to statutory procedures being successfully confirmed, the GAR will be delivered in advance of

Keepmoat Homes reaching the limit of 315 dwellings on the former Gedling Colliery site permitted without the GAR.

9. The last scheme update for GAR was provided to the Finance and Major Projects Committee meeting on 14 January 2019. This report is intended to give an update of work completed since the previous report including:
 - Compulsory Purchase Order and Side Roads Order;
 - Finance and Procurement; and
 - Timeline.
10. The work completed and progress to date reflects the complexities and the many interdependencies associated with the delivery of major projects.

Compulsory Purchase Order and Side Road Orders

11. The Nottinghamshire County Council (B684 to A612 Link Road) A6211 Gedling Access Road (Side Roads) Order 2018 (SRO) and The Nottinghamshire County Council (Gedling Access Road) Compulsory Purchase Order 2018 (CPO) (the SRO and CPO together being the Orders) were made by the County Council on the 25 October 2018.
12. Statutory notices were published in the local press and these, together with supporting documentation, were sent to all affected parties as detailed in the Schedule to the CPO. Complete sets of all Order documentation were also placed on deposit in four local libraries and at County Hall, as part of the prescribed statutory process. A 6-week period within which affected or interested parties could make representations in objection to the Orders expired on the 21 December 2018. The information that was published in the statutory notices and served on affected or interested parties explained how an objection to the proposals can be lodged with the Secretary of State for Transport. The objection period was the minimum period required by the statutory process governing SRO.
13. The Order Land has a total area of approximately 38ha, comprising 31.4ha for which title to the land is required to deliver GAR and 6.6ha is land over which rights are required. There are currently 19 plots of land held freehold by 13 landowners with the remaining land is in public-sector ownership. Over 18ha (57%) of the 31.4ha is classified solely as agricultural land. Other significant classifications of land include 3.5ha of wooded area, 1.7ha of existing public highway, 1.8ha of disused quarry and 2.1ha of the Country Park.
14. All objections to the Orders were required to be submitted through the National Transport Casework Team (NTCT) at the Department for Transport (DfT). The NTCT advised the County Council that in total nine objections had been received to the Orders and confirmed that the Relevant Date for the purposes of the Secretary of State's process of determination of the Orders was 7 January 2019. The objectors were:
 - Cadent Gas Limited (Cadent);
 - Western Power Distribution Limited (WPD);
 - Alkane Energy UK Limited (Alkane);
 - Midlands Land Portfolio Limited (Midlands Land);
 - Jigsaw Homes Limited (Jigsaw);
 - Mr Christopher Reckless (Mr Reckless);
 - Mr Carl Walker (Mr Walker);

- Mr David Prince and Mrs Pamela Prince (Mr and Mrs Prince); and
 - Openreach (non-statutory objection).
15. In response to the objections received, the County Council on 18 February 2019 prepared and submitted the Statement of Case to the Inquiry in its capacity as acquiring authority pursuant to Rule 7 of the Compulsory Purchase (Inquiries Procedure) Rules 2007 (2007/3617). Copies of the Statement of Case were served on all objections and interested parties. Copies of the Statement of Case were also placed on deposit at County Hall and at four local libraries.
 16. Representations were made by local residents and Lambley Parish Council regarding the closure of Lambley Lane referred to in the Order documentation. The close is not a provision of the SRO and would be facilitated by a separate, temporary traffic management regulation order which would be made by the Council as Local Highway Authority. The County Council is aware of concerns raised by local residents and businesses and is committed to ensuring that any disruption is kept to a minimum. Further work will be undertaken as part of the programming of the construction for the GAR to consider how the earthworks can be managed to minimise the length of time required for any road closures taking into account local concerns and ensuring that the construction activities are carried out safely.
 17. The NTCT on 26 February 2019 advised the County Council that Inspector J Wilde had been appointed to open the Inquiry at 10am on Tuesday 11 June 2019 with an expected duration of 5 days at St Georges Centre, 91 Victoria Road, Netherfield, Nottingham. NG4 2NN.
 18. In accordance with the prescribed dates set by statutory instruments governing the CPO Inquiry process, the County Council's evidence was prepared and submitted to the Inspector on 21 May 2019. At the time of submitting evidence there were five outstanding objections these being WPD, Midlands Land, Jigsaw, Reckless and Cadent.
 19. The remaining objections were all withdrawn in advance of the Inquiry being formally opened. Accordingly, the Planning Inspector confirmed that all the statutory objections had been satisfactorily resolved and therefore decided there was no need to proceed with the Public Inquiry. It is expected that this will enable a positive decision to be issued that will enable the Orders to be confirmed.
 20. The NTCT have advised the County Council to expect to receive a decision letter within 10 weeks of the associated Section 19 Certificate being issued by the Secretary of State. The Section 19 Certificate is required as common land on the periphery of the County Park is included in the Orders. This has been formally sought by NCC as part of the Order process and a follow-up has been sent to the DfT seeking an update.
 21. Following the confirmation of a CPO there are a number of methods available to the County Council as acquiring authority to purchase land and gain access to land required to deliver GAR, these are as follows:
 - By agreement;
 - Following a Notice to Treat/Notice of Entry;
 - By a General Vesting Declaration (GVD); and
 - By procedures for acquiring "short tenancies" (e.g. by exercise of landlord and tenant powers once superior interest in land acquired).

22. The method adopted will vary depending upon the status of negotiations on specific land plots and negotiations have been ongoing with affected landowners in parallel to the formal Orders. Acquisitions of land required to deliver GAR has been completed on land at Glebe Farm on Lambley Lane and at a property on Whitworth Drive. Acquisition by agreement is continuing with landowners affected by the GAR with conveyancing either progressing or due to commence on other interests, and agreements 'in principle' on others. Where land is not secured by agreement compensation will be paid in accordance with the Compensation Code and those affected kept up to date as the legal process progresses.
23. NCC will continue to work with those affected as the projects moves forward.

Finance and Procurement

24. The funding package and scheme costs previously reported is considered still to be valid, scheme costs will be updated through the procurement method described in this report. The funding package required to deliver GAR totals £40.899 million.
25. The chosen procurement route for the construction works for the GAR has been through the Midlands Highways Alliance (MHA) Medium Schemes Framework (MSF) of which NCC is a member. Via EM had been working with a contractor under the framework but unfortunately it was not possible to reach a point to enter into contract prior to the expiry of MSF2 in June 2018.
26. Its replacement MSF3 is available to use and the County Council following due process has selected Balfour Beatty as its framework contractor to deliver GAR.
27. Using the framework helps to reduce procurement costs and gives greater flexibility over the timings of construction compared to a traditional tender route. However, the major benefit of the framework is that it enables a significant period of Early Contract Involvement (ECI) with a Framework Contractor. This is a collaborative approach and key benefits include enabling the contractor to input into the design process, key suppliers and sub-contractors being involved in decisions at an early stage, carry out value engineering, assist in the management of risk and fix a target price for the works.
28. Via EM on behalf of NCC have successfully used the MSF2 framework to deliver other major highway projects including the Hucknall Town Centre Improvement Scheme (contract value £8.5 million) and Hucknall Rolls Royce (£3.1 million). This has provided experience and knowledge of working with NEC contracts and in particular the target cost option. The same teams working on the GAR have experience gained in preparing the works information and contract documentation for the GAR.
29. The report approved by Finance and Property Committee on 19 September 2016 detailed the financial implications for the GAR, this included information that under terms of the grant funding agreement including the full business case to D2N2 the County Council, will need to accept responsibility for meeting any costs over and above the contributions in the current funding agreements.
30. At the Communities and Place Committee meeting on 8 March 2018 approval was given to the Corporate Director Place to have delegated authority to negotiate and approve final

terms of the contract as necessary, and authorise the Council entering into a contract to construct the Gedling Access Road.

31. MSF3 uses Option C (Target Cost) from the NEC4 Engineering and Construction Contract, and a scoping document has been agreed within the project budgets that will enable the Contract to be entered into and for the ECI to formally commence.
32. The contract provision requires a formal project instruction to be issued to the Contractor to move to the construction phase, providing a further opportunity for the County Council to seek formal committee approval and ensure that the final agreed target costs are within the funding available. Based on work completed to date it is considered that this will be within previous estimates and the project budget.
33. If the target price is less than current estimates, then it reduces the risk of costs being incurred above the current contributions. In the case of the target cost being above current scheme estimates then through the robust project governance arrangements this information would be taken to partners to seek additional contributions and a subsequent report brought to the appropriate committee to advise on the next steps required to deliver the project.
34. The target cost is not yet set and is subject to detailed review and discussion. However, based on work completed to date it is considered that this will be within previous estimates.
35. Confirmation of the Orders and entering into Contract will enable NCC to formally seek approval from D2N2 of the Full Business Case for the GAR, it is anticipated that this will be done in the Autumn in advance of the main construction works starting onsite.

Timeline

36. The delivery timescales for GAR are challenging reflecting the complexities of delivering a large infrastructure project with a range of landowners, funding streams, and ecology and engineering issues in relation to a former colliery site.
37. The setting of the Public Inquiry defined the timescales for delivery of GAR and subject to confirmation of the Orders it is being planned for the main construction works to commence in January 2020 with site mobilisation in December 2019 and the road open to traffic during 2021.
38. Significant investment has already been made with diversions to utility apparatus being undertaken and the completion of the first phase of advanced drainage works in 2018.
39. Ecology mitigation construction works started on 15 April 2019, this consisted of constructing a bat house on land at Glebe Farm, Lambley Lane that is required to mitigate the loss of the derelict buildings at this location. The derelict buildings are used as a daytime and maternity roost for bats that are a protected species. A European Protected Species (EPS) license has been applied for and granted from Natural England. Demolition has been completed on 3 out of 4 of the main buildings, the remaining will be demolished this Autumn as this building is the one used as a maternity roost for bats and the EPS licence prevents NCC from undertaking demolition until that time.

40. Drainage works are due to commence in August 2019 for 4 months that will see a new culvert installed enabling the Ouse Dyke to be diverted as part of the GAR. This work has to be done in advance of the main earthworks to construct GAR.
41. Site clearance works will also be planned for this Autumn after the bird nesting season, this will facilitate the start of main construction works later in the year.
42. Further information to allow discharge of planning conditions has been submitted to Gedling Borough Council (GBC) which is obliged to consult on this under the planning permission granted. This provides an opportunity for interested parties to comment on the details and this will be considered at a future GBC Planning Committee meeting. The discharge of these planning conditions will enable advanced site clearance works to be undertaken this Autumn in advance of the main contract. The planning conditions that require public consultation are as follows:
- 4 and 5 – Traffic and Pedestrians Movement for Phases 1 and 2 (note it is now being built as a single phase);
 - 6 – Public Transport Strategy;
 - 7 – Temporary Lighting;
 - 11 – Highway Design Code;
 - 12 – Arboricultural Impact Assessment & Tree Constraints Plan;
 - 13 – Landscape Plan; and
 - 15 – Noise Monitoring.
43. Where applicable, discussions have taken place with key stakeholders and it is considered that any reasonable comments or concerns raised through the public consultation can be incorporated within the Scheme proposals, if required.
44. Further opportunities are being considered to ensure that critical tasks are completed to help reduce the risk to delivery and to keep within an 18 month build programme. The County Council is using its best endeavours to deliver this project as soon as possible.
45. NCC has a dedicated webpage (www.nottinghamshire.gov.uk/GAR) associated with the GAR and this provides links to all partner sites. There have been various press releases providing further opportunity for the community and stakeholders to be kept information with progress and key milestones, these are shared through social media platforms and in the local press. This is in addition to some specific links that have been retained with affected local residents or business owners.

Other Options Considered

46. There have been numerous options surrounding the alignment and route details which have been considered through the design and planning process. A collaborative approach has been taken to the project and key partners have met regularly throughout the planning process and this has been formalised into revised governance arrangements for the Gedling Housing Zone delivery. Extensive consultation has been undertaken on the GAR.
47. The detail in each legal agreement has been through various iterations as a result of ongoing negotiations and is designed to reflect the interdependencies between the projects and meet the needs of all parties, whilst meeting all relevant financial and legal

requirements. For NCC this has been done to protect the authority and minimise risk through pre-requisites that have to be met and link with key milestones to provide project assurance as the project develops.

Reason/s for Recommendation/s

48. The GAR will enable a key development site to be realised and unlock much needed development land. The former Gedling Colliery / Chase Farm site was identified as an area of future housing development in the Aligned Core Strategy (ACS), as it is a key strategic site on the urban edge of Nottingham and viewed as a priority for GBC, referenced with the Local Development Plan 2018. The site has a status of strategic location.
49. The delivery of GAR will also complete the long-awaited bypass of Gedling village and achieve strategic transport objectives in keeping with the third Nottinghamshire Local Transport Plan (2011-2026).

Statutory and Policy Implications

50. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public-sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Finance Implications

51. The delivery of both the GAR and Gedling Colliery development are linked as a result of the complex funding arrangements as previously reported.
52. NCC will ensure that all conditionality aspects are addressed before the CPO is implemented and substantial liability under construction contracts is triggered. Before the Secretary of State can confirm any CPO required, they themselves must first be satisfied that the GAR scheme is fully funded.
53. Based on current scheme estimates and work previously undertaken the GAR is deliverable with sufficient funding streams to cover anticipated costs. Under the terms of the grant funding agreements including the full business case submission to D2N2 LEP, the County Council will also need to accept responsibility for meeting any costs over and above the current contributions through the D2N2, CIL and from the developer. This is the current view and understanding from partners. Details of the risk of a shortfall and the need to be underwritten by the County Council were also included and approved in the Finance and Property Committee meeting on 24 March 2014.
54. The funding stream contributed to by each development partner is as follows:
- Land and Enabling Works
 - HCA - £7.17 million;
 - Construction (including design)
 - NCC Capital - £5.4 million;

- D2N2 - £10.8 million (outline business case approval obtained; full approval required as discussed below);
- Housing Developer (Keepmoat) - £17 million including Community Infrastructure Levy (CIL) liabilities of £4.488 million via GBC;
- Section 106 contributions - £0.529 million (£0.436 from Teal Close development).
- Total: £40.899 million

55. The current costs are shown in Table 1, as follows:

Table 1: Current Costs

Costs (millions)	Comments
£26.427	Construction costs (2016 prices)
£1.581	Diversion works to services during main construction works
£0.273	Diversion works to services outside of main construction works (including diversion of gas services already done on Arnold Lane)
£28.281	Construction Total
£1.755	Inflation (assumed 7.35%) – based on current BCIS All In Tender Prices
£0.061	Advanced Works
£1.273	Contingencies (5%) on construction costs and services during construction
£0.478	Testing (2%) including ground investigation works
£2.051	Design, Project Management and Site Supervision
£33.899	Design and Construction Total
£7.000	Land & Rights Acquisition, Compulsory Purchase Order, compensation (including blight and Part 1 claims) and costs relating to Unilateral Undertaking
£40.899	TOTAL PROJECT COSTS

56. By utilising the procurement methods identified an opportunity is provided for the project team to engage and work collaboratively with a preferred contractor to carry out value engineering and fix a target price. If the target price is less than current estimates, then it reduces the risk of costs being incurred above the current contributions. In the case of the target cost being above current scheme estimates then through the robust project governance arrangements this information would be taken to partners to seek additional contributions and a subsequent report brought to the appropriate committee to advise on the next steps required to deliver the project.
57. Under the terms of the Escrow Account, NCC can drawdown the full value of funds available if required. This will require NCC to include provision in future year's budgets of £0.922 million in 2023 and £2.34 million in 2026 to facilitate repayment into the Escrow Account. This will be balanced by an income in the same financial years from GBC under the terms of the CIL funding agreement between the two authorities.
58. The Payment and Escrow Account and Deed of Agreement between NCC and GBC related to CIL payments only become active and funding eligible to be withdrawn once contracts are in place to deliver the road. Contracts to deliver GAR also require all necessary permanent and temporary access rights to land either through negotiation or via confirmation of the Orders.

59. Confirmation of the Orders and entering into Contract will enable NCC to formally seek approval from D2N2 of the Full Business Case for the GAR, it is anticipated that this will be done in the Autumn in advance of the main construction works starting onsite.
60. Costs will be updated as target prices are agreed with contractors that enables further validation to be undertaken to demonstrate that the Scheme offers value for money and is viable.

RECOMMENDATION/S

It is **RECOMMENDED** that Committee:

- 1) Endorse the update on the current progress of the GAR as contained in this report.
- 2) Approve the County Council entering into Contract with Balfour Beatty to deliver the Gedling Access Road and a requirement that a further report is brought to a future Committee meeting confirming final target costs prior to the formal contractual instruction being given to commence works on site.

Adrian Smith
Corporate Director Place

For any enquiries about this report please contact: Mike Barnett 0115 977 3118

Constitutional Comments (SJE – 30/05/2019)

61. Communities & Place Committee is the appropriate body to consider the content of this report. If Committee resolves that any actions are required, it must be satisfied that such actions are within the Committee's Terms of Reference.

Financial Comments (GB - 31/05/2019)

62. The capital budget of £40.899m is already approved within the Communities and Place capital budget. Paragraph 52 sets out that the Council will need to accept responsibility for meeting costs over and above the approved budget.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- The Nottinghamshire County Council (B684 to A612 Link Road) A6211 Gedling Access Road (Side Roads) Order 2018 and The Nottinghamshire County Council (Gedling Access Road) Compulsory Purchase Order 2018 – Available at:
www.nottinghamshire.gov.uk/GAR

The Order can be found on the above link, together with the statement of case, proof of evidence and core documents produced for the Public Inquiry

- Finance and Major Project Committee Report dated 14 February 2019
Gedling Access Road – Update Report

- Communities and Place Committee Reported dated 8 March 2018 – Scheme Update
- Transport and Highways Committee Report dated 16 March 2017
Gedling Access Road – Scheme Update, Compulsory Purchase Orders and Side Roads Orders
- Finance and Property Committee Report dated 19 September 2016
Gedling Access Road - Scheme Update and Funding Agreement
- Transport and Highways Committee Report dated 21 September 2016
Gedling Access Road – Scheme Update, Compulsory Purchase Orders and Side Roads Orders
- Greater Nottingham (Broxtowe Borough, Gedling Borough, Nottingham City) – Aligned Core Strategies Part 1 Local Plan – Adopted September 2014
- Finance and Property Committee Report dated 24 March 2014
Gedling Access Road, Scheme Development and Funding Agreements
- Report to County Council dated 27 February 2014
Capital Programme 2014/15 to 2017/18
- D2N2 Local Growth Fund – Local Assurance Framework – Available at:
[http://www.d2n2lep.org/write/Local Assurance Framework final version.pdf](http://www.d2n2lep.org/write/Local_Assurance_Framework_final_version.pdf)

Electoral Division(s) and Member(s) Affected

- | | |
|----------------|---------------------------------------------|
| • Arnold North | Councillors Pauline Allan and Michael Payne |
| • Arnold South | Councillors John Clarke and Muriel Weisz |
| • Carlton East | Councillors Nicki Brooks |
| • Carlton West | Councillors Errol Henry and Jim Creamer |
| • Calverton | Councillor Boyd Elliott |
| • Newstead | Councillor Christopher Barnfather |