



14 January 2019

Agenda Item: 5

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.

Information

2. 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 3.8 km to its junction with the A612 at Trent Valley Road / Nottingham Road. The attached drawing GAR/NCCL01 shows the route of the GAR.
3. There have been a number of reports that have been provided to relevant committees on the GAR for both approvals and endorsing, these are listed as background papers.
4. 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.
5. 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.
6. 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.
7. It is considered that there is a robust case for the GAR, and subject to statutory procedures being successfully confirmed 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.

8. The last scheme update for GAR was provided to the Communities and Place Committee meeting on 8th March 2018. 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.
9. The work completed and progress to date reflects the complexities and the many interdependencies associated with the delivery of major projects. In this case there are funding agreements with multiple partners, planning requirements and design challenges that have required resolution prior to making the necessary Statutory Compulsory Purchase and Side Road Orders.

Compulsory Purchase Order and Side Road Orders

10. At the Transport and Highways Committee meeting of 19 March 2017 approval was given to make, advertise, obtain confirmation and implement a Compulsory Purchase Order (CPO) and Side Roads Order (SRO) required to construct the GAR.
11. Due to the number of land interests involved, as has previously been considered and reported, it will be necessary to make the CPO to deliver the scheme. Whilst every endeavour is made to acquire land by negotiation, in order to ensure scheme delivery, it is standard practice that CPO powers are progressed simultaneously with land acquisition. Where agreement for sale is reached, the plot of land will be removed from the CPO confirmation. In order to ensure proper process specialist advice has been sought throughout.
12. 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 (the SRO and CPO together being the Orders) were made by the County Council on the 25th October 2018 with notices posted on site and in the press on:
 - SRO – in the Nottingham Post and London Gazette on 8th November 2018; and
 - CPO – in the Nottingham Post on the 8th and 15th November 2018.
13. Notices and supporting documentation have been sent to all affected parties as detailed in the Schedules included in the CPO. Full sets of the Order documentation were also placed on deposit in four local libraries and at County Hall, as prescribed through statutory process. A 6-week consultation period for affected or interested parties expired on the 21st December 2018, the information sent out explains how an objection to the proposals can be lodged. The consultation period was dictated by the SRO.
14. The Order Land has a total area of approximately 40.1ha. This comprises 31.4ha for which title to the land is required, this includes 1.9ha of existing public highway. The remainder is made up of land over which rights or enabling works are required.
15. Currently there are 22 plots of land, covering 15 landowners under private ownership, required to deliver GAR. The remaining land is in public-sector ownership. Over 18ha (57%) of the 31.4ha required for GAR for which title of land being acquired is classified

solely as agricultural land, other significant classifications of land include 3.5ha of wooded area, 1.9ha of existing public highway, 1.8ha of disused quarry and 2.1ha of the County Park.

16. All objections are submitted through the National Transport Casework Team (NTCT) at the Department for Transport. The County Council have been advised that eight objections have been received from parties affected by the Orders. All of these are being reviewed and responses being provided including offers to meet the objectors and their representatives to discuss the content in detail with a view to reaching a resolution.
17. If necessary, the Secretary of State issues a letter to the County Council as acquiring authority to set the date for the Inquiry and sets out the deadline for the acquiring authority to serve its statement of case. Any such letter will be triggered on the 1st February 2019.
18. There have also been eight representations submitted to the NTCT regarding the proposed temporary closure of Lambley Lane that was detailed in the Statement of Reasons produced to support the Orders. These representations are not a provision of the Side Roads Order and any closure would be the subject of a separate, temporary traffic management regulation order which would be made by the County Council as Local Highway Authority. The County Council are aware of concerns raised by local residents and businesses and are 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.
19. A further report will be taken to the relevant committee updating on the requirements and dates of any Public Inquiry once further details are known. In the meantime, work is ongoing to acquire land and rights by negotiation and to resolve any objections received.

Finance and Procurement

20. The funding package and scheme costs previously reported are 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.
21. The chosen procurement route from 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.
22. Its replacement MSF3 is available to use and the County Council is currently in the process of selecting a framework contractor to deliver GAR.
23. 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 includes 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.

24. Via 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 are working on the GAR and are using the experience gained in preparing the works information and contract documentation for the GAR.
25. As required by MSF3, work is underway to produce a scoping document for the contract that will enable ECI to be undertaken with the selected Contractor and for a target cost to be agreed for the delivery of GAR. Once the scope is agreed, at this stage, there is a contract in place to deliver GAR, this will give flexibility to work within timescales around land acquisition and a potential Public Inquiry. The contract provision requires a formal project instruction to be issued to the Contractor to move to the construction phase, providing an opportunity for the County Council to seek formal committee approval and ensure that the costs are within the funding available.

Timeline

26. The construction dates referenced below are based on a requirement to hold a Public Inquiry, with an alternative timeline for construction based on consideration that no objections to the Scheme are received or that such objections will be resolved without the need to hold a Public Inquiry.

27. GAR construction – without a Public Inquiry

- GAR onsite (main contract works) – Summer 2019;
- GAR complete – End of 2020 (based on 18-month main contract works programme).

28. GAR construction – with a Public Inquiry

- GAR onsite (main contract works) – Winter 2019;
- GAR complete – Summer 2021 (based on 18-month main contract works programme).

29. In either indicative scenario, GAR would be open for traffic in advance of the 315 dwellings being occupied on the former Gedling Colliery site, based on current projections.

30. The delivery timescales for GAR are challenging reflecting the complexities of delivering a large infrastructure project with a range of landowners, funding streams, ecology and engineering issues in relation to a former colliery site.

31. Whilst an allowance is considered to cover any Public Inquiry the exact length of any such process is difficult to determine and outside the control of the County Council. Significant investment has already been made, for example diversions to utility works and the completion of the first phase of advanced drainage works. In addition, 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.

Other Options Considered

36. 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.
37. 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

38. The GAR will enable a key development site to be realised and unlock much needed development land. The former Gedling Colliery / Chase Farm site is 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. The site has a status of strategic location.
39. 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

40. 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

41. The delivery of both the GAR and Gedling Colliery development are linked as a result of the complex funding arrangements as previously reported.
42. 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 must first be satisfied that

the GAR scheme is fully funded.

43. Based on current scheme estimates and work previously undertaken the GAR is deliverable with sufficient funding streams to cover anticipated costs. Under 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.

44. 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

45. 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

46. 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.

47. 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.
48. 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 CPO. Before the Secretary of State can confirm any CPO required, they must first be satisfied that the scheme is fully funded.
49. 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.

Adrian Smith
Corporate Director, Place

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

Constitutional Comments [SG 28/12/2018]

50. The recommendation falls within the remit of the Finance & Major Contracts Management Committee by virtue of its terms of reference.

Financial Comments [GB 20/12/2018]

51. The financial implications are set out in the report.

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

- Communities and Place Committee Reported dated 8th March 2018 – Scheme Update
- Transport and Highways Committee Report dated 16th March 2017
Gedling Access Road – Scheme Update, Compulsory Purchase Orders and Side Roads Orders
- Finance and Property Committee Report dated 19th September 2016
Gedling Access Road - Scheme Update and Funding Agreement
- Transport and Highways Committee Report dated 21st 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

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 Barnfather