

<b>DECISION TITLE:</b> Contract for delivery of highway and associated works by the council at Fletton Quays.
<b>Councillor Wayne Fitzgerald, Deputy Leader and Cabinet Member for Integrated Adult Social Care and Health</b>
<b>June 2017</b>
<b>Deadline date:</b> 12 June 2017

Cabinet portfolio holder: Responsible Director:	Councillor Wayne Fitzgerald, Deputy Leader and Cabinet Member for Integrated Adult Social Care and Health John Harrison, Corporate Director Resources
Is this a Key Decision?	YES  If yes has it been included on the Forward Plan: YES  If yes reference number: KEY/17APR17/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	YES There is an exempt annex to this report which is not for publication in accordance with Paragraph 3 of Schedule 12A of Part 1 to the Local Government Act 1972.
Is this a project and if so has it been registered on Verto?	Project drafted in Verto and circulating for internal approvals.

## R E C O M M E N D A T I O N S

The Cabinet member is recommended to:

1. Authorise the council to enter into a contract with PIP (Fletton Quays) Limited relating to the delivery of highway and associated works for the price set out in the exempt annex;
2. Authorise the council to award the delivery of the highway and associated works, mentioned in recommendation 1, to Skanska (Construction) UK Limited under its existing highway services contract for the price set out in the exempt annex; and
3. Authorise the Assistant Director for Legal and Governance or delegated officers to enter into any legal documentation on behalf of the council in relation to this matter.

### 1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks approval from the Cabinet Member for the council to enter into a contract with PIP (Fletton Quays) Limited, for the delivery of highway and associated works by the council at the Fletton Quays site.

- 1.2 In addition, this report seeks approval for the council to award additional works to Skanska (Construction) UK Limited which will allow the delivery of the highway and associated works, mentioned in recommendation 1. These additional works are under the existing highway services contract with Skanska (UK) Construction Ltd.
- 1.3 The council's overall budgetary position will not be negatively affected by the recommendation and there is potential for some income to be retained as part of these works.

## **2. PURPOSE OF THIS REPORT**

- 2.1 This report is for Councillor Wayne Fitzgerald, Deputy Leader and Cabinet Member for Integrated Adult Social Care and Health to consider exercising delegated authority under paragraph 3.4.8(a) of Part 3 of the Constitution in accordance with the terms of their portfolio at paragraph (a).
- 2.2 There is an exempt annex to this report which is not for publication in accordance with Paragraph 3 of Schedule 12A of Part 1 to the Local Government Act 1972 because it relates to the financial and business affairs of the council, namely details of the contract price quoted by the council for the delivery of the works and the price to be paid by the council for the sub-contracting of the works. It is considered that the need to retain this information as exempt outweighs the public interest in disclosure because to disclose it could compromise the council's future position in the marketplace when providing quotes for highway and associated works.

## **3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>
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## **4. DETAILS OF DECISION REQUIRED**

- 4.1 Peterborough Investment Partnership (PIP) is a joint venture formed by Peterborough City Council and the Lucent Strategic Land Fund (LSLF). PIP aims to support the sustained growth and development of local communities across Peterborough by creating new jobs, retail, housing and leisure facilities, and by generating funds that can be reinvested back into the community.
- 4.2 Fletton Quays is the first site to be brought forward by PIP for redevelopment. The planning application was submitted in September 2015 with outline consent approved in December 2015. The site provides 6.4 hectares of prime riverfront development land located to the south of the city centre between the River Nene and the Peterborough to March railway line. The proposed development will deliver homes, offices and a new leisure offering on the banks of the River Nene in the centre of Peterborough.
- 4.3 A technical design for the main spine road on the site has been produced by PIP and submitted for approval by the relevant council department as the Local Highway Authority. This is a normal part of the process for any developer seeking a road on their scheme to be adopted by the Local Highway Authority.
- 4.4 The council is now seeking approval to enter into a contractual arrangement with the PIP whereby the PIP will commission the council to deliver these works on its behalf.
- 4.5 The council intends to subcontract the required works under its existing contract with Skanska (Construction) UK Limited.

## **5. CONSULTATION**

- 5.1 This item of work has been developed in consultation with the Head of Peterborough Highway Services. No further consultation has taken place

## **6. ANTICIPATED OUTCOMES**

- 6.1 The council enters into a contract with the PIP (Fletton Quays) Limited for the delivery of highway and associated works, which the council will subsequently sub-contract to Skanska (Construction) UK Limited.

## **7. REASONS FOR RECOMMENDATIONS AND ANY RELEVANT BACKGROUND INFORMATION**

- 7.1 This recommendation will enable to the council to enter into a contract with the Peterborough Investment Partnership to deliver the highway works required as part of the Fletton Quays development site. This offers some benefits to both parties:

### **Peterborough Investment Partnership:**

- 7.2 Awarding a contract directly to the council means that the Peterborough Investment Partnership is effectively minimising the potential risk that, upon completion, the council will refuse to adopt the scheme because the works do not meet the required standard.

### **Peterborough City Council:**

- 7.3 When any local development scheme is undertaken the council is legally required to adopt the associated highways infrastructure and undertake future maintenance, subject to the correct statutory process being completed by the developer. Part of the adoption process means the council requires that the works have been built and maintained in line with the initial approved technical design. Any uncertainty around this can result in lengthy discussion between the council and the developer, delaying adoption and taking up officer time, which in this case would be mitigated. The delays to adoption can have a negative impact on residents and businesses in the area, as it can create uncertainty as to who should be maintaining the road, and quite often people do not appreciate why it might not be the council.
- 7.4 By delivering the construction of the road itself through its own highways services contract, the council can be certain of the quality of the product being delivered for adoption, and also has an opportunity to benefit from a degree of commercial return on the contract with PIP.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 The alternative option would be for the council to refuse to enter into a contract with the Peterborough Investment Partnership. This option would mean that the council would fail to capitalise on the potential benefits detailed above.

## **9. LEGAL IMPLICATIONS**

- 9.1 The Local Government (Contracts) Act 1997 makes provision about the powers of local authorities to enter into contracts of this nature. Every statutory provision conferring or imposing a function on a local authority confers power on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both, for the purposes of, or in connection with, the discharge of the function by the local authority.

9.2 Under section 93 of the Local Government Act 2003 the council is permitted to charge for discretionary services.

**10. FINANCIAL IMPLICATIONS**

10.1 There are no additional costs to the authority arising from this decision.

**11. PROCUREMENT IMPLICATIONS**

11.1 There are no procurement implications.

**12. EQUALITY IMPLICATIONS**

None.

**13. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

This decision would ordinarily be made by the Cabinet Member for Growth, Planning, Housing and Economic Development, Cllr Peter Hiller, or the Leader of the Council, Councillor John Holdich. However as both are PIP Board Members a conflict of interest arises. Consequently the Deputy Leader, Councillor Wayne Fitzgerald, is recommended to take the decision.

This decision would ordinarily seek Director's approval from Simon Machen, Corporate Director Growth and Regeneration. However as Simon is a managing partner of the Peterborough Investment Partnership a conflict of interest arises. Consequently the Corporate Director Resources, John Harrison, is recommended to approve the decision prior to consideration by the Cabinet Member.

**14. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

None.