

THE CONSOLIDATION OF WORK PACKAGE TO SKANSKA (CONSTRUCTION) UK LIMITED THAT WERE UNDERTAKEN AS PART OF THE JUNCTION 20 CAPACITY IMPROVEMENTS SCHEME. THESE ADDITIONAL WORKS HAVE BEEN AGREED WITH AND FULLY FUNDED BY THE LOCAL ENTERPRISE PARTNERSHIP (LEP).
Councillor Peter Hiller, Cabinet Member for Growth, Planning, Housing and Economic Development
April 2017
Deadline date: 30 May 2017

Cabinet portfolio holder: Responsible Director:	Councillor Peter Hiller, Cabinet Member for Growth, Planning, Housing and Economic Development Simon Machen, Corporate Director Growth and Regeneration
Is this a Key Decision?	Yes If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/03APR17/04
Is this decision eligible for call-in?	Yes
Does this Public report have any annex that contains exempt information?	No
Is this a project and if so has it been registered on Verto?	This notice relates to a decision required for the Junction 20 Capacity Improvements project – PR000670

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

The Cabinet Member is recommended to approve the award of the final work package to Skanska (Construction) UK Limited in the value of £720,000 for works that were undertaken as part of the Junction 20 Capacity Improvements scheme.

1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks the approval to award a further works package to Skanska of £720,000 for works within the Junction 20 Capacity Improvements Scheme. The Council will pay for the works to Skanska by transferring funding from the Bourges Boulevard Phase 2 Improvements project to the Junction 20 Capacity Improvements project to consolidate the programme of works undertaken as part of these schemes.
- 1.2 Both projects are fully funded by the Greater Cambridge Greater Peterborough Local Enterprise Partnership (LEP).
- 1.3 The Council's overall budgetary position will remain unaffected by the recommendation.

- 1.4 An earlier CMDN (April16/CMDN/24) approved the Council awarding works to Skanska to undertake works under the Junction 20 Capacity Improvements project up to a value of £5m. This report seeks approval for additional works carried out by Skanska, which increased the costs of the project works in excess of the approved £5m by an additional £720,000.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for Councillor Peter Hiller, Cabinet Member for Growth, Planning, Housing and Development 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 (b).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
---	-----------

4. DETAILS OF DECISION REQUIRED

- 4.1 The Bourges Boulevard (Phase 2) improvement project and the completed Junction 20 Capacity Improvements project are being delivered to further the Council's growth objectives. Both projects are being fully funded through grants from the Greater Cambridge Greater Peterborough Local Enterprise Partnership (LEP).
- 4.2 The LEP grants are defrayed meaning that only actual expenditure incurred by the Council can be claimed back from the LEP. The expenditure is covered in the short term through internal funding identified in the Medium Term Financial Strategy (2016-17 to 2025-26).
- 4.3 The LEP terms and conditions letter for the Bourges Boulevard (Phase 2) grant was signed and accepted by the Council on 17 May 2016 for a value of up to £10.5 million. A similar letter for Junction 20 was signed and accepted on 17 May 2016 for a value of up to £5 million. The combined grant allocation from the LEP of £15.5 million represented the total anticipated cost of delivering both projects.
- 4.4 The LEP grant for the Bourges Boulevard project is available over the funding period from April 2015 to May 2019. The grant for the Junction 20 project was available over a shorter two year period from April 2015 to May 2017. Both grants are subject to the Council making satisfactory progress with the implementation of the respective projects and complying fully with the funding terms and conditions set out in the grant offer letters.
- 4.5 Following a revised scoping exercise undertaken the Bourges Boulevard (Phase 2) project was divided into a series of smaller sub-projects all situated within the Bourges Boulevard operational corridor. As a result of this re-evaluation the budget profile of the project was reduced to £9.78m. In light of the change, a series of distinct transport related project efficiencies were able to be achieved that allowed the delivery of the same Growth Deal outcomes, aims and objectives within this reduced budget.
- 4.6 A condition of the LEP grant offer is that any funding not used on projects is retained by the LEP. Seeking to maximise the full value of the grant offers and deliver the most complete projects possible, the Council made a request to the LEP Board to transfer the £720,000 of grant funding from the Bourges Boulevard (Phase 2) project to the Junction 20 Capacity Improvement project. The LEP Board unanimously agreed this recommendation. A revised grant letter and spend profile was prepared, submitted and signed by the Council.

- 4.7 Whilst the original grant allocation of £5 million for the Junction 20 project was sufficient to deliver a core scheme which met all the objectives of the bid submission there were elements in the design which were desirable but risked being removed from the project. These additional works could only be realised through the award of further grant funding in future years. With the transfer of funds from the Bourges Boulevard Project to the Junction 20 Capacity Improvements project, these additional works have been able to be completed without the need for further grants and disruption to the travelling public.
- 4.8 The increased budget to £5,720,000 has enabled these additional works to be delivered as part of the recently completed Junction 20 project. The works included widening the existing carriageway and carrying out the necessary embankment works to the A47 westbound and A15 northbound off slip area and associated noise barrier works. Adopting this approach has enabled the Council to benefit from the resultant efficiencies whilst being able to avoid future disruption not only to its own network but also that of Highways England on a key arterial route into the city.
- 4.9 The table below shows a detailed breakdown of the extra works that have been delivered with the additional grant allocation of £720,000.

Works	Estimated cost
Carriageway widening and embankment works to the A47 W/B and the A15 N/B off slip with associated noise barrier works.	£ 720,000.00

£ 720,000.00

Overall Budget Position

- 4.10 The combined budgetary position of the two LEP projects will remain unchanged by the proposed internal transfer of funds. Funding identified in the Medium Term Financial Strategy to cover the expenditure on both projects remains at £15.5 million. The transfer of funds between projects will not result in the Council incurring any additional expenditure as the overall LEP grant will not be affected. The LEP Board has fully approved the transfer of LEP funding between the projects.

Original Funding Position

Project Description	LEP Funding Allocation
Bourges Boulevard (Phase 2) Improvements	£10.5m
Junction 20 Capacity Improvements	£5.0m
Total value of LEP grant funding	£15.5m

Revised Funding Position

Project Description	LEP Funding Allocation
Bourges Boulevard (Phase 2) Improvements	£9.78m
Junction 20 Capacity Improvements	£5.72m
Total value of LEP grant funding	£15.5m

5. CONSULTATION

- 5.1 In addition to reporting on the progress of projects through quarterly review reports the project teams have had regular contact with the LEP Growth Deal Manager who has been fully consulted on the changes in scheme costs.

6. ANTICIPATED OUTCOMES

- 6.1 Approval of the transfer of funds between the two schemes allowing consolidation of works undertaken.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The award of the additional work package is recommended to consolidate the work packages for the Junction 20 project.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The alternative to approving the transfer of £720,000 from Bourges Boulevard (Phase 2) to Junction 20 would require the money to be paid from another location within the Council's main budget.

9. IMPLICATIONS

- 9.1 By approving this recommendation it has enabled the Council to deliver a more efficient, cost effective and robust outcome than that proposed under the original £5 million LEP submission bid for the Junction 20 project.

10. LEGAL IMPLICATIONS

- 10.1 An earlier decision (APR16/CMDN/24) gave approval for the Council to issue work packages to deliver works for the Junction 20 and Bourges Boulevard projects within the existing project budgets of £5m and £10.5m respectively. The works will be undertaken through the Council's Peterborough Highway Services Contract. The Peterborough Highway Services Contract was novated to Skanska Construction UK Limited (Skanska) following a Competitive Dialogue procurement, and it allows for the Council to call off further works.
- 10.2 Changes in the grant funding allocations mean the funding for the Junction 20 project budget increased from £5m to £5.72m, and the funding for the Bourges Boulevard project budget reduced from £10.5m to £9.78m.
- 10.3 The works delivered by Skanska on the Junction 20 Capacity Improvements project using the increased project budget of £5.72m will come within the Peterborough Highway Services Contract scope of works without the need to procure.

11. FINANCIAL IMPLICATIONS

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

12. PROCUREMENT IMPLICATIONS

None.

13. EQUALITY IMPLICATIONS

None.

14. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None.

15. 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

Cabinet Members Decision Notice to approve the issue of six major projects including Bourges Boulevard (Phase 2) Improvement works and Junction 20 Capacity Improvements to Skanska Construction UK.

Cabinet Members Decision Notice reference APR16/CMDN/24

<http://democracy.peterborough.gov.uk/ieDecisionDetails.aspx?ID=1192>