



# EXECUTIVE MEMBER DECISION

<b>REPORT OF:</b>	Executive Member for Regeneration and Growth
<b>LEAD OFFICERS:</b>	Director of Growth and Development
<b>DATE:</b>	7 <sup>th</sup> January 2019

<b>PORTFOLIO/S AFFECTED:</b>	Regeneration and Growth
<b>WARD/S AFFECTED:</b>	Roe Lee, Little Harwood and Whitebirk

**SUBJECT:** Growth Deal 3 – North Blackburn

## 1. EXECUTIVE SUMMARY

To update on progress made with the Growth Deal 3 North Blackburn major transport scheme package, to accept main contractor prices and to agree to the application for Full Approval being made to the Lancashire Enterprise Partnership.

## 2. RECOMMENDATIONS

That the Executive Member for Regeneration and Growth:

1. Approves the Full Approval application to the Lancashire Enterprise Partnership
2. Gives approval to award the main contract to the highest scoring tender subject to confirmation of Full Approval acceptance from the Lancashire Enterprise Board
3. Notes that further reporting will be made at appropriate stages within the project's progression
4. Gives approval to the Director of Growth and Development, in consultation with the Executive Member for Regeneration and Growth to make amendments to the Full Approval application, as part of the final Lancashire Enterprise Partnership approval process.

## 3. BACKGROUND

The wider Pennine Gateways Growth Deal 3 project will deliver key transport infrastructure improvements at three of the main gateways into Blackburn with Darwen off the M65 Motorway at Junctions 4, 5 and 6. Investment at these adjoining gateway locations will extend the concept of the Hyndburn – Burnley – Pendle Growth Corridor to the M65 Growth Corridor and will release the potential of a number of adjacent strategic sites to attract and accelerate new development and housing opportunities. Major transport improvements will act as a catalyst for new housing and commercial development, contributing to the delivery of the Council's adopted Local Plan targets for new homes, businesses and jobs.

Brownhill roundabout forms a key intersection between the Ribble Valley, Blackburn Town Centre, Blackburn's employment zones at Whitebirk, and wider connectivity to the M6/M65/M66 motorways. A number of housing developments are in the pipeline in the vicinity to the junction, hence the need to upgrade this and adjacent junctions.

Full scheme details can be found via the Council's webpage and the information portal for the scheme at <http://www.blackburn.gov.uk/pages/growthdeal.aspx>

The Growth Deal 3 North Blackburn project comprises three elements, as follows:

- Brownhill Roundabout upgrade, including intelligent traffic signal equipment, geometry and resurfacing. Whalley New Road parking amendments and bus stop formalisation (to be finally confirmed).
- Pleckgate Road/ Ramsgreave Drive (Knowles Arms) junction improvement, including new traffic signal equipment.
- Whalley Old Road / Whitebirk Drive junction capacity upgrade, increases to northbound “stacking” lane and new traffic signal equipment.

The project includes associated sustainable transport improvements for walking and cycling, junction profiling, alignment and infrastructure, associated highway signage, street lighting, drainage, surfacing, lining and soft/hard landscaping.

The main challenge, which the North Blackburn scheme aims to address is to reduce the existing congestion issues and delay at the Brownhill Roundabout, Pleckgate junction and Whalley Old Road junction, resulting in travel time savings and aiding optimisation of the highway network as a whole. In addition, investment in the North Blackburn scheme would contribute to economic growth by releasing the potential for a number of strategic residential sites along the route of the A6119, accelerating projects that are already planned. Bringing forward new housing is critical for the Borough in terms of meeting Local Plan and Prosperity Plan targets for new homes. Not only would the project encourage development of adjacent sites, but would also help improve air quality for residents who live in the vicinity of the A6119, promote sustainable transport and improve road safety.

There are two specific housing developments in the vicinity which are underpinned by the Growth Deal 3 – North Blackburn transport investment.

- Wainhomes: 272 new homes
- Roe Lee: 155 new homes

The consultation process regarding planning applications for housing developments has raised a number of concerns regarding Highways and Transport, which will be jointly addressed by the Growth Deal 3 project alongside localised improvements negotiated through the planning process and to be delivered by the Section 106/278 process. There is therefore a level of dependency placed on the Growth Deal 3 project to deliver the strategic improvements relating to congestion and efficiency of the network, given the increase in homes in the area, which complement the localised changes. These will combine to improve road safety, upgrade time expired highways infrastructure, address congestion concerns and ensure the sustainability of housing developments in North Blackburn.

In summary, the following key strategic objectives have been identified for the scheme:

- Optimises the local traffic network
- Improves the reliability of journey times
- Supports economic growth and regeneration
- Improves local air quality
- Improves road safety

#### **4. KEY ISSUES & RISKS**

The confirmation of the North Blackburn project as a prioritised Lancashire Enterprise Partnership major scheme as part of Central Government’s Round Three Growth Deal in January 2017 has allowed the Council to work through the required planning, legal, procurement, design and consultation processes, detailed within the annual Local Transport Plan work programmes approved annually by the Council’s Executive Board. These processes are now closed out and the Council is in a position to apply for Full Approval from the Lancashire Enterprise Partnership to begin delivery of the scheme.

A summary of timescales and milestones for the major scheme are detailed below:

- Scheme confirmed as a Lancashire Enterprise Partnership priority on 31<sup>st</sup> January 2017 as

part of the Local Growth Fund 3 Announcement from Central Government

- Scheme approved for progression within the annual work programmes of the Council's Local Transport Plan by the 13<sup>th</sup> April 2017 Executive Board
- 8<sup>th</sup> March 2018 Executive Board approved further consultation, scheme design and commissioning, alongside the scheme's financial profile
- Detailed design of work packages completed and quantified: complete
- Statutory undertakings review and design: complete
- Gateway review to confirm design proposals: complete
- Planning approval: not required as the scheme is classified as permitted development within highways boundaries
- Procurement exercise via the Council's Civil Engineering and Developer Framework: from 6<sup>th</sup> August to 21<sup>st</sup> September 2018 with confirmation of costs: complete
- Land elements agreed: all land is owned by the Council
- Traffic Regulation Orders: progressing in parallel with scheme delivery
- Full Approval application: Transport for Lancashire Committee 16<sup>th</sup> January 2019 and Lancashire Enterprise Partnership Board 22<sup>nd</sup> January 2019
- Contract award and Mobilisation: 23<sup>rd</sup> January 2019
- Construction: February 2019 until December 2019
- Submission of Evaluation report to LEP: 1 year and 5 years after scheme completion

### 1. Full Approval Application (Strategic Outline Business Case)

The Executive Member for Regeneration and Growth is being asked to approve the application of the project to the Lancashire Enterprise Partnership for Full Approval which involves the Strategic Outline Business Case and related Appendix documentation for the **£2.599m** scheme.

Key Points:

**Scheme Cost:** The total investment cost is £2.599m **which includes a provision for risk.** Growth Deal funding of £2.3m is requested from the Lancashire Enterprise Partnership to contribute towards the scheme.

**Funding:** The Council will commit to funding £0.299m which is the balance between the allocated Growth Deal funding (£2.3m) and the scheme cost of £2.599m.

**Scheme Benefit Cost Ratio:** The Economic Case for the scheme is strong, with the analysis presented showing that the scheme has a Benefit to Cost Ratio (BCR) of 7.92, which represents "Very High" value for money (i.e. BCR > 4.0), with key benefits monetised in terms of congestion, journey reliability, value added from housing growth, improving air quality and road safety.

**GVA Benefits:** The scheme is forecast to generate £0.287m of net Gross Value Added (GVA) benefits on average per annum to the local economy, arising from transport benefits and the "opening-up" of developments sites adjacent to the new link road and in the vicinity, which otherwise would not be developed.

**Programme:** It is intended that the works will commence in February 2019 and be complete by December 2019.

### 2. Acceptance of Main Contractor tender

The Executive Member for Regeneration and Growth is being asked to approve the acceptance of the Main Contractor tender to deliver the North Blackburn scheme following a detailed tender evaluation exercise. The Council will not be in a position to formally appoint the Main Contractor until the Lancashire Enterprise Partnership has confirmed Full Approval on 22<sup>nd</sup> January 2019.

The procurement exercise ran from 6<sup>th</sup> August 2018 until 21<sup>st</sup> September 2018 via the Council's Civil Engineering and Developer Framework. Three tenders were received by the Council to deliver the

scheme and were evaluated according to 70 / 30 price / quality split by an appointed evaluation panel.

Quality questions were split and answers had to be detailed in relation to the following areas:

- Description of the contract approach and methodology
- Outline programme and the contractors approach to programming as a tool
- Site management structure and quality of staff
- Health and safety in relation to delivery of the project package

The framework also has a particular focus in relation to a number of outcomes and commitments including the creation of new jobs and traineeships in the local economy, a percentage of main contract spend within the supply chain, and support for third sector organisations.

**Eric Wright Civil Engineering Limited** scored highest in the combined quality / price assessment, and are therefore recommended as the preferred contractor to deliver the major scheme package.

Main contract works will be carried under terms and conditions of the Engineering and Construction Contract (ECC), Third Edition (NEC3) published in June 2005 (with amendments June 2006) by the Institution of Civil Engineers, using Option B priced contract with Bill of Quantities.

#### Summary of works:

- Main contract: Construction of three junction improvements and safety measures, landscaping and highways resurfacing
- Highways construction (main tender)
- Surveys and third party activities
- Professional fees including preparation, design and supervision
- Risk layer
- Preferred contractor: Eric Wright Civil Engineering Limited

The total confirmed cost is to be funded as follows:

- Growth Deal 3 (LEP): £2.3m (88.5%)
- BwDBC Local Contribution: £0.299m (11.5%)
- Total Funding £2.599m

Further information on funding profiling can be found within the Financial Implications section of this report in Section 6.

## 5. POLICY IMPLICATIONS

The scheme will upgrade three key junctions which link the Ribble Valley, Blackburn Town Centre, Blackburn's Employment Zones at Whitebirk, and wider connectivity to the M6/M65/M66 motorways.

Scheme outcomes include improvements to road safety, congestion and air quality. The project will also deliver associated sustainable transport improvements for walking and cycling.

There are a number of sites adjacent to the North Blackburn junction improvements which have been identified for development within the Council's Adopted Local Plan which include:

- Site 16/2 – North Blackburn Development Site
- Site 16/3 – Roe Lee Development Site, Blackburn

Details on the Local Plan can be accessed via the following weblink:

<http://www.blackburn.gov.uk/pages/local-plan-part-2-submission-documents.aspx>

Progression of the Growth Deal 3 – North Blackburn major scheme is essential to deliver the

Council's corporate agendas to support economic growth, housing delivery and to facilitate sustainable regeneration.

## 6. FINANCIAL IMPLICATIONS

The scheme's total value stands at £2.599m which includes a provision for risk following scheme tendering and reduction in the quantified risk layer and removal of optimism bias. Works will be carried out and grant claimed back from the Lancashire Enterprise Partnership quarterly on a defrayed basis. Any cost overruns will be met by the Council from the Local Transport Plan in future years.

The breakdown of funding is as follows and runs between 2017/18 and 2019/20:

- £2.3m Local Growth Deal – LEP (88.5%)
- £0.299m Blackburn with Darwen Borough Council Local Transport Plan (11.5%)
- Total Funding £2.599m

	2017/18	2018/19	2019/20	Total
LEP Growth Deal	£0	£0.4m	£1.9m	£2.3m
BwDBC LTP	£0.049m	£0.25m	£0	£0.299m
Total	£0.049m	£0.65m	£1.9m	£2.599m

Developer Contributions are being sought through the planning system for adjacent housing developments via Section 106 of the Town and Country Planning Act 1990, and are being requested towards the provision of off-site highways works in the vicinity which will complement the major scheme and could offset the Council's local contribution.

## 7. LEGAL IMPLICATIONS

All packages of work within the Growth Deal 3 – North Blackburn major scheme will be designed and implemented in accordance with relevant highway, transport and traffic legislation. Procurement of the main contract has been via the Council's Growth and Development framework which is compliant with Council's Contract procurement Procedure Rules and Public Contracts Regulations 2015 and the grant conditions.

Contracts for the works and the grant funding will be reviewed by legal officers in the Contracts and Procurement team prior to being executed.

The Council's legal section will be involved in progressing the statutory elements of the project i.e. Traffic Regulation Orders, which will commence post Full Approval to co-incide with implementation.

## 8. RESOURCE IMPLICATIONS

Officer time in delivering the Growth Deal 3 – North Blackburn major scheme will be considerable but will be undertaken using existing resources and through established non-core fee protocols using funding as detailed within this report.

The delivery of new infrastructure in the Borough will upgrade and renew junctions, lengths of highway and highways assets, some of which are time expired. Maintenance of new infrastructure and associated street furniture i.e. street lighting and landscaping will be funded using existing resources and revenue streams.

## 9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 ☒ Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 ☐ In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 ☐ In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

## 10. CONSULTATIONS

Options in relation to the scheme have been presented and discussed at previous Ward Solutions Meetings where Residents, Council Officers and Council Members have been in attendance. The scheme was discussed in detail at a Residents' Ward Solutions meeting which took place on 20<sup>th</sup> February 2018.

A further information event for residents and businesses took place at St Gabriel's Church Hall, Brownhill Drive, Blackburn on Wednesday 5<sup>th</sup> September 2018. Over 100 people attended the event to speak to representatives for the Council regarding the major scheme, the preferred proposals and the optioneering and evaluation process.

A "you said, we did" style document was produced and can view viewed and downloaded via the Growth Deal information portal at <http://www.blackburn.gov.uk/pages/growthdeal.aspx> and has also been submitted to the Lancashire Enterprise Partnership as an appendix to the Full Approval application.

As part of the submission for Full Approval and in line with the LEP assurance framework, a Communications Strategy and Action Plan has been developed and proposes the following:

- Leaflet drops to adjacent properties before works commence
- An information portal on the Council's website to keep residents and businesses up to date
- Ongoing information releases to Elected Members and the Member of Parliament
- Social Media releases throughout the scheme's delivery phase via the "BwD Roads" Facebook account.

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

<b>VERSION:</b>	0.01
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<b>CONTACT OFFICER:</b>	Mike Cliffe, Strategic Transport Manager, ext 5310
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<b>DATE:</b>	2 <sup>nd</sup> January 2019
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<b>BACKGROUND</b>	Executive Board paper dated 8 <sup>th</sup> March 2018: "Growth Deal 3 – Pennine
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