



# EXECUTIVE BOARD DECISION

<b>REPORT OF:</b>	Executive Member for Growth and Development
<b>LEAD OFFICERS:</b>	Director of Growth and Development
<b>DATE:</b>	9 <sup>th</sup> January 2020

<b>PORTFOLIO/S AFFECTED:</b>	Growth and Development
<b>WARD/S AFFECTED:</b>	Audley and Queens Park, Blackburn Central, Blackburn South and Lower Darwen, Blackburn South East
<b>KEY DECISION:</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

**SUBJECT:** Growth Deal 3 – South East Blackburn

## 1. EXECUTIVE SUMMARY

To update on progress made with the Growth Deal 3 South East 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 Board:

1. Approves the Full Approval application to the Lancashire Enterprise Partnership
2. Gives approval to accept the main contract tender subject to confirmation of Full Approval acceptance from the Lancashire Enterprise Partnership Board
3. Approves the bringing forward of capital funding into the financial year 2019/20 to front fund statutory undertakers advanced costs
4. Notes that further reporting will be made at appropriate stages within the project's progression
5. Gives approval to the Director of Growth and Development, in consultation with the Executive Member for Growth and Development 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.

South East Blackburn is Borough's major growth corridor, with a considerable level of planned future expansion of employment and housing. The corridor provides the main arterial route between Blackburn with Darwen Town Centre and the M65 Junction 5 and a key gateway route to Blackburn Teaching Hospital and the centralised Accident and Emergency department for the

East Lancashire NHS Trust.

The corridor experiences severe congestion, especially during peak hours, and has not seen any significant upgrading since the completion of the M65 motorway in 1997, despite the significant growth in new development along its length. Traffic flows are expected to increase along the corridor in future years, with strong housing growth and economic development planned for South East Blackburn. The link stress analysis indicates that all link sections between the Bee Hive Junction and the Shadsworth Road junction are forecast to be at or above capacity by 2026.

The scheme forms the third and largest package of the “Pennine Gateways” Growth Deal 3 project, with this phase of works delivering:

- Widening of Haslingden Road between Lions Drive and Shadsworth Road to four lanes
- Upgraded Roundabouts at major access points along Haslingden Road including Shadsworth Road and DW Sports
- An upgraded Royal Blackburn Hospital roundabout entrance at Haslingden Road and Old Bank Lane
- The Blackamoor Link Road: including two new junctions at Roman Road and Blackamoor Road plus a stretch of new Highway

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 project will:

- Improve congestion on the Haslingden Road corridor to / from Royal Blackburn Hospital and M65 Junction 5
- Improve air quality at Blackamoor Junction (which is a designated Air Quality Management Area)
- Facilitate future housing and employment growth in the South East of Blackburn

The improved highway network will be able to cope with the expected increase in traffic and trip generation following the development of associated Local Plan housing and employment site allocations across Blackburn with Darwen.

The South East Blackburn package will support the development of nearly 650 housing units and over 65,000 square metres of employment land and prevent deterioration of air quality at the Air Quality Management Area site at Blackamoor Road. The connectivity between the M65 and Blackburn Town Centre will also be significantly enhanced.

Full scheme details can be found via the Council’s webpage and the information portal for the scheme at <https://www.blackburn.gov.uk/transport-and-travel/transport-and-streets-policies-and-strategies/transport-infrastructure-growth>

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

The confirmation of the South East 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
- Detailed design of work packages completed and quantified: complete
- Statutory undertakings review and design: complete
- Gateway review to confirm design proposals: complete
- Planning approval: Full Planning approval was granted at the Council's 19<sup>th</sup> December 2019 Planning Committee meeting
- Procurement exercise via the Council's Civil Engineering and Developer Framework: from 14<sup>th</sup> October 2010 to 18<sup>th</sup> November 2019 with confirmation of costs: complete
- Land and property elements agreed: Heads of Terms have been agreed with all land and property owners with contracts in the process of being finalised with Solicitors. All other land is owned by the Council.
- Side Roads Orders: The Council advertised two Side Roads Orders on 14<sup>th</sup> November 2019 for the statutory six week period. Comments received have been lodged with the Department for Transport's casework team. Once confirmed the Council will be in a position to finalise the orders.
- Traffic Regulation Orders: progressing in parallel with scheme delivery
- Full Approval application: Transport for Lancashire Committee 30<sup>th</sup> January 2020 and Lancashire Enterprise Partnership Board on 10<sup>th</sup> February 2020
- Contract award and Mobilisation: 9<sup>th</sup> March 2020
- Construction: April 2020 until April 2021
- Submission of Evaluation report to LEP: 1 year and 5 years after scheme completion

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

The Executive Board is being asked to approve the application of the project to the Lancashire Enterprise Partnership for Full Approval which involves the submission of Strategic Outline Business Case and related Appendix documentation for the **£11.56m** scheme.

Key Points:

**Scheme Cost:** The total investment cost is £11.56m, including £1.03m of risk. Growth Deal funding of £9.05m (78%) is requested from the Lancashire Enterprise Partnership to contribute towards the scheme.

**Statutory Undertakers:** The number of statutory undertakings which need diverting, lowering or protecting to deliver the scheme are considerable, with the scale of BT and Electricity North West particularly prevalent in respect to Haslingden Road widening. The Council is able to take advantage of Statutory Undertakers' New Road and Street Works Act (NRSWA) discounts of 18% when costs are paid up front. The total Statutory Undertakers' costs are £3.314m (including discount) which equates to a total saving of £0.728m.

**Planning approval:** Full Planning approval was granted at the Council's 19<sup>th</sup> December 2019 Planning Committee meeting. The project has been designed in a way that it can be delivered on a phased basis.

**Professional fees and surveys:** Fees relating to the project, in terms of design, commissioning and supervision have been agreed with Capita, as part of the 2017 Highways and Transport services specification part 3 – Scale Fee service.

**Funding:** The Council will commit to funding £2.51m which is the balance between allocated Growth Deal funding (£9.05m) and the total scheme cost of £11.56m.

**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 3.27, which represents “High” value for money (i.e. BCR is between 2.0 and 4.0). Key benefits have been 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 £226.5m of net Gross Value Added (GVA) benefits the local economy by 2035, 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 April 2020 and be complete by April 2021.

## **2. Acceptance of Main Contractor tender**

The Executive Board is being asked to approve the acceptance of the Main Contractor tender to deliver the South East 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 Board confirms Full Approval at its meeting on the 10<sup>th</sup> February 2020.

The procurement exercise ran from 14<sup>th</sup> October 2019 until 18<sup>th</sup> November 2019 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:

- A description of the approach to this contract and the methodology to be employed
- Outline programme and the contractor’s approach to co-ordinating the project
- Management of 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.

Three tenders were received from the following Civil Engineering Framework contractors:

- Casey Group Limited
- Eric Wright Group Limited (Civil Engineering)
- I&H Brown Limited

**The Casey Group 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: Widening of Haslingden Road between Lions Drive and Shadsworth Road plus creation of the new Blackmoor Road Link Road, including junction improvements and safety measures, landscaping and highways resurfacing
- Highways construction tender price
- Land and property
- Statutory undertaker diversions
- Scheme preparation, design and surveys

- Scheme supervision
- Preferred contractor: Casey Group Limited

The total confirmed cost is to be funded as follows:

- Growth Deal 3 (LEP): £9.05m (78%)
- BwDBC Local Contribution: £2.51m (22%)
- Total Funding £11.56m

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

## 5. POLICY IMPLICATIONS

The scheme underpins a number of strategic employment and housing sites within Blackburn with Darwen, and will upgrade associated highways and transport infrastructure which link Blackburn Town Centre, Blackburn's Employment Zones at Shadsworth, Haslingden Road and Blackamoor in addition to improving 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 South East Blackburn project which have been identified for development within the Council's Adopted Local Plan which include the following:

Employment sites:

- Site 13/6 Evolution Park, Shadsworth Road, Blackburn
- Site 13/7 Plot C, Shadsworth Business Park, Blackburn
- Site 13/8 Waterside Employment Site, Haslingden Road, Blackburn
- Site 13/9 Premier Way, Walker Park, Blackburn

Housing sites:

- Site 16/7 Haslingden Road development site (South East Blackburn)
- Site 16/8 Blackamoor Road development site (South East Blackburn)
- Site 16/11 Johnson Road development site

Development opportunity sites:

- Site 28/6 Fishmoor Drive development site (South East Blackburn)

Furthermore, the line of the Blackamoor Link Road has been identified within the Council's Local Plan Part 2 within Policy 45 "Major Road Schemes" as one of five major road schemes defined.

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

<https://www.blackburn.gov.uk/planning/planning-policies-strategies-and-guides/local-plan-part-2>

Progression of the Growth Deal 3 South East 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 £11.56m which includes a risk layer of £1.03m following scheme tendering and a reduction in the quantified risk layer and the 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 2018/19, 2019/20 and 2020/21:

- £9.05m Local Growth Deal – LEP (78%)
- £2.51m Blackburn with Darwen Borough Council Local Transport Plan (22%)
- Total Funding £11.56m

The project will not be given “Full Approval” until 10<sup>th</sup> February 2020, and there will be a further period where Grant Funding Agreements are agreed with the Lancashire Enterprise Partnership, which will take the draw-down of LEP funding into 2020/21. It is therefore requested to re-profile the LEP Growth Deal funding element totalling £2.865m into 2019/20. This will enable the Council to take advantage of Statutory Undertakers’ New Road and Street Works Act (NRSWA) discounts of 18% when costs are paid up front. Given that the total Statutory Undertakers’ costs are £3.314m (including discount), this equates to a total saving of £0.728m.

There will also be a requirement to bring forward LTP funding of £0.715m from 2021/22 into 2020/21 to enable the 100% draw down of LEP Growth Deal funding by March 2021.

Funding profile:

	2018/19	2019/20	2020/21	2021/22	Total
LEP Growth Deal	£0.125m <sup>1</sup>	£2.74m <sup>1</sup>	£6.185m	£0m	£9.05m
BwDBC LTP	£0.035m	£0.76m	£1m	£0.715m <sup>2</sup>	£2.51m
Total	£0.160m	£3.5m	£7.185m	£0.715m	£11.56m

Notes:

- <sup>1</sup>LEP Growth Deal funding in 2018/19 and 2019/20 totalling £2.865m to be front funded by Council Capital in 2019/20, to be replaced by Growth Deal post Full Approval.
- <sup>2</sup>2021/22 BwDBC LTP totalling £0.715m to be brought into 2020/21 funded by Council Capital, to be replaced by LTP post April 2021.

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.

## 7. LEGAL IMPLICATIONS

All packages of work within the Growth Deal 3 – South East Blackburn major scheme will be designed and implemented in accordance with relevant highway, transport and traffic legislation; and has been procured in accordance with the Council’s constitution and; where relevant, European directives; and grant conditions.

The Council advertised two Side Roads Orders on 14th November 2019 for the statutory six week period. A Side Roads Order is a statutory order in the UK which authorises a highway authority to make alterations to roads either by stopping up, diverting, improving, stopping up and replacing private accesses affected. It is defined by section 14 of the Highways Act 1980. Comments received have been lodged with the Department for Transport’s casework team. Once confirmed the Council will be in a position to finalise the orders.

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 – South East 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

Two information events for residents and businesses took place at Evolution Park on Tuesday 29th January 2019 and at St James' Church, Lower Darwen on Thursday 7th February 2019.

Approximately 300 people took the time to attend the events to speak to representatives from the Council, which has helped to inform and shape the scheme put forward for delivery in 2020/21.

The Council has responded to a number of equality issues arising from the consultation exercises carried out. These include the following:

- Retaining parking outside “Fancy Row” properties on Haslingden Road and not progressing with new parking areas at the back of the row
- Extending solid islands to facilitate easier pedestrian crossing movements across Haslingden Road
- Creating additional parking at the front of Roman Road “cottage” properties south of Newfield Drive with a new lay-by area
- Ensuring access to/from future Blackamoor development sites will be from the new Blackamoor Link Road only

The issue of road safety and children / pedestrians crossing widened and new highways has been looked at in detail by the Council and the design team. Formal crossing provision will be explored as part of the proposed housing development on allocated land opposite Royal Blackburn Hospital, at the Pankhurst Close end of the housing estate, serving Haslingden Road bus stops and accommodating desire lines between housing and Royal Blackburn Hospital. Extended pedestrian refuge areas are planned around the roundabouts at Royal Blackburn Hospital, Shadsworth Road and the DW entrance on Haslingden Road.

Pedestrian facilities will be significantly improved at the Roman Road / Blackamoor Road junction, which currently has no pedestrian phases, and is in close proximity to Lower Darwen St James Primary School.

Equality issues for all users of the highway have been considered throughout the design and consultation process, and it has been concluded that the activity does not impact negatively on any of the protected characteristics as stated within the Equality Act (2010).

A “you said, we did” style document was produced following the events and has been updated a number of times following further representations and suggestions from businesses and residents. This confirms the Council’s responses to concerns, and details out changes made within the scheme’s design.

The document can view viewed and downloaded via the Growth Deal information portal at <https://www.blackburn.gov.uk/transport-and-travel/transport-and-streets-policies-and-strategies/transport-infrastructure-growth>

The document has also been submitted to the Lancashire Enterprise Partnership as an appendix to the Full Approval application.

Further statutory consultations have been undertaken in respect to the scheme’s planning approval, which was granted “Full Planning” at the Council’s 19th December 2019 Planning Committee meeting. A letter drop (totalling 400 letters) to adjacent properties was undertaken in advance of the planning submission in October 2019, which was followed by two further letter drops informing residents and businesses that the planning application was “live”.

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.

Given the strategic importance of the Haslingden Road corridor in relation to the major Accident and Emergency Hospital for the East Lancashire sub-region and a number of major businesses, it is critical that the Council communicates progress and potential disruption clearly. The Council will work closely with the main contractor to ensure the quality and frequency of this information.

## **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 in the Summary of Decisions published on the day following the meeting.

<b>VERSION:</b>	0.01
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<b>CONTACT OFFICER:</b>	Mike Cliffe, Strategic Transport Manager, ext 5310
<b>DATE:</b>	4 <sup>th</sup> December 2019
<b>BACKGROUND PAPER:</b>	Executive Board paper dated 8 <sup>th</sup> March 2018: "Growth Deal 3 – Pennine Gateways Project update"