

Central Bedfordshire Council

EXECUTIVE - 31 March 2015

Woodside Link Contract Award

Report of Cllr Brian Spurr, Executive Member for Community Services
(brian.spurr@centralbedfordshire.gov.uk)

Advising Officers: Paul Cook, Assistant Director of Highways and Transport
(paul.cook@centralbedfordshire.gov.uk) and Jade Taylor
(jade.taylor@centralbedfordshire.gov.uk)

This report relates to a Key Decision

Purpose of this report

1. To secure agreement from Executive to award the contract for the construction of the Woodside Link and to confirm that the Council will underwrite the scheme.

RECOMMENDATIONS

The Executive is asked to:

1. **either: agree the award of the contract for the Woodside Link Base Scheme plus additional junctions/roundabouts as set out in Appendices A-C;**
2. **or: if by 30 March 2015 a Funding Agreement has not been signed by the developers of Houghton Regis North, to agree the award of the contract for the Woodside Link Base Scheme; and**
3. **confirm that the Council will underwrite the cost of the Woodside Link if necessary.**

Overview and Scrutiny Comments

2. This paper has not been considered by Overview and Scrutiny Committee.

Background

3. The Woodside Link is a key piece of transport infrastructure needed to promote employment, facilitate growth and improve quality of life and the environment in Central Bedfordshire

4. On 2 October 2012 Executive agreed the submission of an application for the construction of the Woodside Link and consultation on the proposed scheme. Members were advised that the key to unlocking significant housing and employment opportunities and dealing with the issue of inappropriate and rising levels of heavy traffic in Dunstable and Houghton Regis, lies in the provision of a package of transport measures, including improvements to public transport, such as the guided busway, measures to promote walking and cycling, the A5 to M1 Link road, a new junction 11a on the M1, and the construction of the Woodside Link Road.
5. The Woodside Link will create a new road connecting the Woodside Industrial Estate with a new junction (11A) of the M1. It will promote economic growth, take traffic, particularly heavy goods vehicles, out of, Dunstable, Houghton Regis and west Luton and will link planned new development to the north of Houghton Regis with the trunk road network.

Progress to Date

6. The Highways Agency have started work on the A5 to M1 Link road (including a new M1 junction 11a) with completion planned late 2016.
7. Following Member approval, the Woodside Link went through public consultation stages. A formal application for development consent was made to the Planning Inspectorate on 14 May 2013, the examination took place 8 October 2013- 4 April 2014 and the Secretary of State granted a Development Consent Order on 30 September 2014.
8. Advance works, including vegetation clearance and the undergrounding of electric cables are currently being undertaken to prepare the site for the Contractor to commence development on 4 May 2015, should Executive agree to award the contract.
9. The Development Consent Order (referred to hereafter as the “Base scheme”) was for a road connecting the Woodside Estate with a new Junction 11a on the M1 as shown in map 1 of Appendix A. The road will also make possible the Houghton Regis North development which was granted permission by Central Bedfordshire Council in June 2014 subject to the road being completed. Planning permission for the Houghton Regis North development is currently the subject of a legal challenge by Luton Borough Council.
10. In order to maximise the benefits of the road, the Council is keen to work with the developers of Houghton Regis North (Houghton Regis Development Corporation – HRDC) to build some additional elements connecting the road into their site. These were the subject of planning permissions which were granted by CBC on 20 January 2015 and are shown in Appendix B.

11. The developers have approached Central Bedfordshire Council to ask if these works could be commissioned at the same time as the Base Scheme. Doing so will minimise costs and disruption. Central Bedfordshire Council are agreeable to this, provided that a financial agreement with the developers can be concluded.
12. The developers have indicated their agreement to this financial agreement, but are yet to sign it. They expect to have done so by 30 March 2015. Executive will be updated at this meeting as to whether this has been done.

Procurement

13. Contractors were invited to submit a Pre-Qualification Questionnaire (PQQ) from which 6 contractors were selected and received an Invitation to Tender (ITT). Bidders were asked to submit bids for the Woodside Link Base Scheme (Option A) and for a range of potential additions, which consist of additional junctions/roundabouts (Options B, C1, C2 and D). The locations of the various options are shown in Appendix C.
14. Five contractors submitted bids on 20 February 2015. An officer panel reviewed and scored the submitted tenders in accordance with the authority's procurement rules based on a 60/40 price/quality split. Members are recommended to award the contract to the contractor providing the most economically advantageous tender for "the Works"*. The details of which are set out in Appendix D (Exempt).
15. *"The Works" are either; the Woodside Link Base Scheme (Option A) plus additional junctions/roundabouts known as Options B, C2 and D , or; if by 30 March 2015 HRDC has not completed the Funding Agreement for adding additional elements to the Base Scheme; "the works" are the Woodside Link Base Scheme (Option A).

Finance

16. The report to the Executive in October 2012 noted the Woodside Link would cost around £42 million, with £10 million of risk. It was anticipated funding would come from; developer contributions to the scheme, either directly as part of section 106 agreements or more indirectly through CIL; Government grants, other bids for funding and capital funding from Central Bedfordshire Council.
17. It was noted that it would be unlikely that the scheme could be wholly funded through external sources, so if the Council wished to take the scheme forward, the Council would need to fund at least part of the scheme. Subsequent Council meetings about the budget confirmed the council's support to delivering the scheme and identified a budget for its delivery within the capital programme.

18. The Tenders submitted for the construction of the Woodside Link were lower than expected, meaning the scheme is now likely to cost around £38.3 million rather than the previously anticipated £42 million. Furthermore, the Council has been more successful than expected in bidding for external funding for the road and has secured £25 million in external funding and £1 million in developer contributions towards the scheme. As such, the Council is currently ahead of its estimates of income raised towards the scheme. However, in order for the scheme to be fully funded without a Council contribution, based on current estimates, a further £12.3 million will be needed. Sources of funding obtained to date are:
19. **Pinch Point funding (£5 million):** A successful Pinch Point bid was submitted to the Department of Transport on 21/02/2013 with a capital grant award of £5m (£2.35 in 2013/14 and £2.65 in 2014/15).
20. **SEMLEP/Local Transport Board funding (£20 million):** the Local Transport Board awarded the scheme £10 million in 2013. Following this, a successful business case was submitted to SEMLEP in April 2014 for growth area funding and the scheme was awarded a further £10m. This money will be available as follows:-
 - £13m in 2015/16,
 - £4m in 2016/17 and
 - £3m in 2017/18.
21. **Contributions from Developers.** To date, £1million has been negotiated, subject to the signing of legal agreements.
22. It is very unlikely that further government funding in addition to that already obtained can be found for the scheme. Moreover, further development funding for the road is also unlikely to be significant. Although every effort will be made to secure as much of the remaining funding as possible through external sources and to further reduce the costs of the scheme, any remaining amount (currently estimated at £12.3 million) will need to be met by Central Bedfordshire Council and may require capital borrowing. However, as a result of the funding commitments set out above, CBC borrowing is unlikely to be required before 2017/18 at the earliest.

Reason for decision

23. The Executive is asked to approve the award of the contract for the construction of the Woodside Link in order to enable the commencement of construction. The Executive is asked to confirm that the Council will underwrite the Woodside Link in order to ensure delivery of the scheme should further external funding not be found.

Council Priorities

24. The Woodside Link will ease congestion in and around Dunstable and Houghton Regis, promoting town centre regeneration, thereby directly addressing the Council's priorities to develop better infrastructure, improved roads and transport and deliver great universal services.
25. The Woodside Link addresses the Council's priority to promote health and wellbeing by improving air quality, encouraging the use of sustainable transport and promoting active lifestyles through improved cycle routes.
26. The Woodside Link addresses the Council's priority of enhancing your local community – creating jobs, managing growth and enabling businesses to grow, by enabling the development of over 5,000 houses at Houghton Regis North and associated employment by 2031. Furthermore, the competitive tender for the contract for the construction of the Woodside Link meets the Council's priority of; value for money.

Corporate Implications

Legal Implications

27. The Woodside Link was granted a Development Consent Order following public examination by the Planning Inspectorate. The required land has been secured by use of agreements and compulsory purchase orders (CPO's) to be executed under general vesting declarations (GVD's). Temporary Access notices have been served to enable Amey to conduct the advance works to prepare the site for the Contractor. Further Temporary Access notices will be served to enable the Contractor to begin work following and subject to Executive's approval to award the contract.
28. A pre-qualification questionnaire (PQQ) and invitation to tender (ITT) process has been completed in accordance with the Council's Standing Orders. The form of contract is the industry standard NCE3 using a target cost with activity schedules.
29. The Development Content Order permits the construction of the Base Scheme (Option A). Options B, C2 and D are subject to stand alone planning permissions: CB/14/04616/FULL, CB/14/04617/FULL and CB/14/04621/FULL respectively.

Financial Implications

30. The tender is within the MTFP budget allowance as set out in the report to Council on 26 February 2015. The new estimates for the total cost of the scheme have reduced from £42m with £10m risk to £38.3m.

Work is now being carried out to produce a revised business case for the scheme following this tender.

31. The Council has secured £26 million in external funding and is continuing to seek other funding opportunities. However, the Council may have to pay for an element of the scheme. This report seeks confirmation from Executive that the Council will underwrite the remaining costs of the Woodside Link.

Equalities Implications

32. The Woodside link will enable sustainable growth in Central Bedfordshire. This will be of benefit to all. Additionally, by reducing air pollution and noise in existing residential areas, the road will bring benefits to all residents living in those areas. The road itself will contain a cycle lane and pavements, making it possible for everyone to use it.
33. The scheme has been through public exhibitions and Inquiry hearings providing opportunities for local feedback on the impact of this new road. This has guided the development of mitigation measures including access and environmental.

Sustainability

34. The Woodside Link will facilitate the development of homes and increase employment, reducing the need to travel, promoting sustainability and bringing air quality and noise reduction benefits. However, construction of the road will have an impact on the local environment and mitigation measures to reduce this have forming part of the design including noise fencing and bunds, crossing points and cycle path.

Next Steps

Activity	Date
Contract Award	13 April 2015
Advance Works (AMEY)	21 January- 1 May 2015
Contractor Start Works	4 May 2015
Completion of Woodside Link	September 2016

Appendices

Appendix A: Plan of Woodside Link Base Scheme

Appendix B: Plans of additional junctions/roundabouts (Option B, C2 and D)

Appendix C: Plan of Woodside Link Base Scheme (Option A) with locations for additional junctions/roundabouts (Option B, C2 and D)

Appendix D: Exempt- Details of Successful Contractor

Background Papers: (open to public inspection)

[Woodside Link Development Consent Order](#)

[Local Transport Plan](#)