

Report for:	<b>Shadow Executive</b>
Meeting Date:	<b>18 February 2020</b>

<b>Title of Report:</b>	<b>A404/A4155 Westhorpe Junction Improvements</b>
Shadow Portfolio Holder	Mark Shaw
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<b>Recommendations:</b>	<p><b>1) That the Shadow Executive approves the commission of the preliminary design phase of the project including ground investigation works (value £375,000 – using secured and released s106/CIL funding)</b></p> <p><b>2) That the Shadow Executive notes the risks associated with the scheme.</b></p>
Corporate Implications:	<p>The recently completed Westhorpe Interchange Improvements Feasibility Report has highlighted that the range of current forecast costs for the scheme is between £3.225M and £3.574M, £518k and £867k over the currently approved budget of £2.7M.</p> <p>Whilst some work has already been undertaken on the project (providing 20% cost certainty), to provide increased scheme cost and programme certainty, further design and investigation work (pre-construction) is required on the scheme. Opportunities to mitigate risks (potential utility diversions) and value engineering (retaining wall scope and design) will be explored to seek to avoid the current forecast overspend.</p> <p>A bid for £250k of CIL funding has recently been submitted to Wycombe District Council, to partially mitigate the current 'best' case £518k budget shortfall.</p>
Options: (If any)	<p>Options are set out in more detail within the main body of this report. They are:</p> <p>1) Commission the preliminary design phase and ground investigation work to provide greater certainty around project risks (ground conditions and utilities) and construction costs. This option would allow a full decision on progression of the scheme to be taken by the Buckinghamshire Council in late summer 2020.</p> <p>2) To pause the project now and bid for more funding. This will however increase the risk of losing £970,000 funding</p>

	<p>from Local Transport Board (LTB) and/or £1.187M Highways England (HE) already awarded to the scheme. Delaying project implementation would also increase the cost of the scheme due to construction inflation.</p> <p>Ahead of the pre-construction commission being approved by the Shadow Executive, a relatively minor piece of vegetation clearance is proposed to be carried out using already released funding during February 2020 to enable the project to meet its current programme and funding obligations (to spend LTB funding by March 2021). This work comprises hedge cutting and scrub clearance on BCC land alongside the A404 slip lane which will facilitate access later in 2020 for ground investigation work. The vegetation clearance work needs to be carried out in February to avoid bird nesting times. Should this not proceed, there would be a potential 6-8 month delay to programme and vital ground information would remain unknown.</p>
Reason:	<p>The primary reasons for the current scheme cost uncertainty are the relatively limited design work, lack of ground investigation work and lack of detailed utility information. Assumptions and allowances have been included in the scheme forecast to allow for utility diversions and the structural work required to the retaining wall, however these assumptions are based on limited information</p> <p>By undertaking the proposed pre-construction work and design development the scheme forecast outturn will be more certain. Any decision to agree to progress the advanced works needs to be taken in the knowledge that a funding gap may still remain when this work is completed and reported later this summer.</p> <p>The recommended option is to progress with the preliminary design and ground investigation work to provide approximately 80% cost and programme certainty in late Summer 2020.</p>

## 1. Purpose of Report

1.1 This report sets out the background to the Westthorpe Junction Improvements/Access to Globe Park project and the reasons why it is recommended to approve the project to progress the preliminary design and ground investigation works.

## 2. Content of Report

### ***Background***

2.1 Globe Park is a business park on the eastern side of Marlow (see figure 1), one of the largest in southern Buckinghamshire. The main access into Globe Park is from the A404 and A4155. Historic problems with access delays arising from congestion have resulted in approximately one third of the business park's commercial sites being vacant.



2.2 Motorists travelling along the A404 near Marlow at peak hours currently experience long northbound queues on the slip road, especially in the AM peak.

2.3 The A404 forms part of the Strategic Highway Network and is the responsibility of Highways England (HE) (highlighted green in figure 2 below). The Westthorpe roundabout is the responsibility of Buckinghamshire County Council as Highways Authority (highlighted blue in figure 2 below).

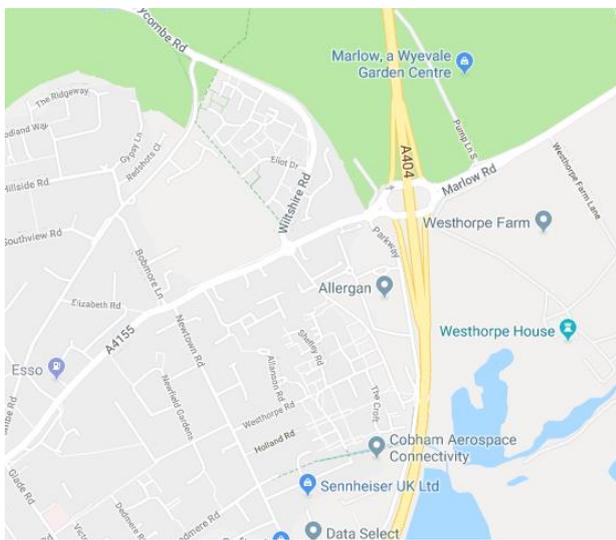


Figure 1 Location plan



Figure 2 Westthorpe Interchange

2.4 A joint application was made in March 2016 to HE's Growth and Housing Fund (GHF) for "an integrated package of measures to improve the junction capacity on the Westthorpe Interchange". The bid was successful and a long period of optioneering and stakeholder engagement followed. In autumn 2018 three options were shortlisted and taken to consultation. Following a well-attended public consultation in January 2019, it emerged that the new slip road had the strongest support, followed by (part-time) signalisation of the Westthorpe Junction. The third measure a new access road into Marlow International (MI) received the least support. Post consultation it has emerged that this option is now no longer deliverable as MI (as landowner) has withdrawn its support for this measure. BCC has received written confirmation from HE with their approval to delete this option from the funding agreement without any loss of funding.

2.5 Work undertaken since the public consultation in January 2019 concentrated on determining the benefits of the preferred options and testing their effectiveness in a transport model. Of the options tested the slip road in combination with signalisation offers the best performance, and was shown to have the best economic benefit for the local area.

2.6 The congestion on the northbound slip road and difficult access from the westbound section of the roundabout into Globe Business Park are the main causes of the low occupation rate on the business park. Globe Park has modelled vacancy rates against potential Gross Value Added that could be achieved if the business park was 100% occupied. The current loss of employment opportunity by virtue of the vacant office space is 1182 employees, equivalent to £47,280,000 GVA based on 2015 figures. ONS reported that in 2015 the Berks, Bucks and Oxon sub region was the 4<sup>th</sup> fastest growing sub region by GVA per head at 3.3%.

2.7 Given that annual GVA growth for the period 1997-2015 was approximately 3.2% in Bucks and 4% nationally, there is the real prospect that GVA growth will continue at similar

rates from 2015 and for the future. Applying a growth rate of 4% for Globe Business Park the GVA figure for 2019 is in the order of £55,300,000 of economic benefit being lost.

2.8 Attracting and crucially retaining business tenants to Globe Park is therefore of great significance. The case for the new slip lane and signalisation is supported by both traffic modelling in terms of journey times, as well as economic benefit to the local area based on ONS modelling.

### ***Scape framework***

2.9 This project has been procured through the Scape framework. Scape is a built environment specialist providing a full suite of national procurement frameworks and design solutions to the public sector. Working with an expert contractor, Scape offers efficient and cost effective services via a tried and tested collaborative process. Available to any public body in the UK, Scape Procure frameworks offers a fast route to market - saving on cost and having a track record of delivering high quality projects. Balfour Beatty were awarded the sole supplier for the Scape Civil Engineering framework. Buckinghamshire County Council were part of the evaluation panel for the Scape framework.

2.10 The Council has developed a good relationship with Balfour Beatty, working since 2016 on the detailed design and build of the A355 Beaconsfield Relief Road. Despite challenging issues and time scales, Balfour Beatty helped navigate the project through to construction/ completion. Although slightly behind schedule the project is set to be delivered under budget. A thorough analysis of procurement options has been conducted and a Project Board Decision was taken to proceed with Scape/Balfour Beatty. Balfour Beatty produced the early costings and Feasibility study for the project.

Under the framework, Balfour Beatty are bound by strict Key Performance Indicators (KPIs), especially on cost certainty which provides cost certainty to the Council as client.

### ***Programme***

2.11 There are a number of challenging timescales on the Westhorpe Improvement project. In the original bid it was proposed that the project would be completed by March 2019; this has been superseded by an extension by Highways England to March 2022. However, the second largest funding contribution (LTB funding c£970k) has a spending deadline of March 2021, which is challenging but should be achieved if the preliminary design starts in February 2020.



## ***Budget and Funding Sources***

2.12 This project is funded by a number of funding streams. Currently secured and potential funding comprises:

<b>Funding Source</b>	<b>Amount</b>	<b>Funding deadline</b>	<b>Comments</b>
Highways England	£1,187,000	Mar 2022	BCC received in full
s106 (BCC)	£250,000	N/A (historic funds)	Confirmed
CIL (WDC)	£250,000	N/A	Confirmed
Local Transport Board LTB	£969,498	March 2021	Confirmed
WDC	£50,000	N/A	Confirmed
<b>TOTAL</b>	<b>£2,706,498</b>		<b>Confirmed Budget</b>
CIL (WDC)	£250,000	N/A	Bid submitted in July 2019
<b>TOTAL</b>	<b>£2,956,498</b>		<b>Potential budget</b>

## ***Current Scheme Forecast Cost***

2.13 The current forecast cost of the scheme is £3,224,598 (best case scenario) or £3,574,248 (worst case scenario). These figures are subject to change and may increase with increased information obtained from the preliminary design work.

2.14 The forecast includes costs associated with the project including

- Feasibility costs
- Preliminary design and ground investigation
- Land acquisition costs
- Construction costs
- Risk

2.15 Based on the best available information to date, the agreed budget is not sufficient to deliver the project. However, pending confirmation of additional CIL funding that was applied for in July 2019 the funding shortfall will be reduced to £268,100 (best case scenario); the project will have a clearer cost picture after the preliminary design and ground investigation. The project team are nevertheless exploring other available funding opportunities to meet the current predicted shortfall; including but not limited to CIL/s106, LGF, HE, BidCo and the new authority.

2.16 A report will be brought back to Buckinghamshire Council in late summer to take a decision on the project.

## ***Reasons for Increase in cost***

2.17 Previous project estimates were based on extremely limited information. Since then, the feasibility study which was completed in October 2019 provided better information on costs based on market rates and an outline design. Nevertheless, the current cost picture still has significant uncertainty attached to it, as ground investigations have not yet been carried out

and therefore assumptions have been made about ground conditions, utilities and the underground structure of the existing retaining wall and what changes will be required.

### ***Risks and Opportunities to reduce cost***

2.18 There are a number of risks and also opportunities to reduce costs within the project that officers are currently looking into. These include the following:

- **Ground conditions and retaining wall:** Because the project has not carried out ground investigations yet, assumptions have had to be made about the ground conditions and the need for a replacement or reinforcement of the existing retaining wall.
- **Utilities:** Because the project has not carried out ground penetration radar (GPR) yet assumptions have had to be made about the location and need for diversion of utilities. C3 searches are either completed or underway but GPR will establish what work is needed.
- **Highways England:** the slip road is Highways England's responsibility and the project needs to comply with HE requirements, processes and approvals on matters such as hours of working, traffic management and design standards. We also need to agree the reduced scope of works with HE. HE has recently written to BCC confirming that the proposed access at Marlow International can be removed from the scope of works with no loss of funding.

## **3. Options**

3.1 Financially the scheme has two different options:

### ***Option 1***

3.2 Commission the preliminary design and ground investigation work to establish greater certainty on current risks and seek cost efficiencies to deliver within the project budget. This option would allow a decision on progression of the scheme to be taken by the new authority in late summer 2020.

### ***Option 2***

3.3 Pause the project now and bid for more funding for the overall cost of the project. This would increase the risk of losing existing funding (especially Local Transport Board funding that needs to be spent by March 2021) and inflation costs will be incurred as a result, increasing overall project cost.

## **4. Legal Implications**

4.1 There are no direct legal implications arising from the proposal to undertake preliminary design and investigation works, assuming the associated funding is derived and applied in accordance with adopted s106 / CIL policy and procedures, or alternatively any relevant grant funding conditions.

4.2 Full legal implications will need to be included in any subsequent report for overall scheme approval, including any matters relating to the acquisition of land if necessary.



## **5. Dependencies**

5.1 As set out previously, this scheme is being funded by a number of sources and has to be delivered according to their grant conditions and funding deadlines. The LTB funding deadline is March 21 and the project needs to progress to stay on the current programme to meet this deadline. The HE's funding deadline is March 22 which is anticipated to be met with the current programme for scheme completion in Summer 21.

5.2 In addition to funding dependencies, the scheme will require both HE and BCC highways approval. Early engagement, governance and frequent communication between stakeholders and partners will be key to the successful delivery of the project.

5.3 The careful management of traffic during the construction phase will be important to minimise traffic congestion, delays and disruption. A communications strategy aligned with similar complex highways projects delivered recently will be developed and agreed by the Project Board to ensure that all stakeholders are kept well informed of upcoming works and potential delays.

5.4 As the new slip road is to be constructed adjacent to Marlow Fire station the project team will make sure that they are consulted on all upcoming works and involved in the scheme development to mitigate any impacts on their operations. A small area of land has to be acquired from the Fire Service to deliver this scheme. Liaison with Buckinghamshire and Milton Keynes Fire Service is ongoing.

## **6. Consultation**

6.1 A public consultation on the scheme took place in January 2019. The new slip road had the strongest support followed by (part-time) signalisation of the Westhorpe Junction. The third measure proposed and consulted on, having the weakest support locally, is a new access road into Marlow International. This is currently not possible to deliver as the landowner MI has withdrawn its support for this measure. BCC has recently received written confirmation from HE with their approval to delete this option from the funding agreement without any loss of funding.

6.2 Local Members and Members of BCC's Cabinet have been regularly updated on progress of the scheme.

## **7. Equalities Implications**

7.1 N/A

## **8. Next Steps**

8.1 The next steps in the scheme, subject to approval of this report, will be to progress with the preliminary design and ground investigation work, and for a further decision to be taken by Buckinghamshire Council in late summer 2020 about progressing the project.

## **APPENDICES**

**Appendix A: General Arrangement plan showing slip road outline design.**

