

**Open Report on behalf of Richard Wills,  
Executive Director for Economy and Environment**

Report to:	<b>Councillor R G Davies, Executive Councillor Highways, Transport and IT</b>
Date:	<b>8 March 2017</b>
Subject:	<b>Grantham Southern Relief Road - Financial Approval to Award Contract for Grade Separated Interchange, King 31 Phase 2</b>
Decision Reference:	<b>I012799</b>
Key decision?	<b>Yes</b>

**Summary:**

Approval in principle is sought to award the contract for the Grantham Southern Relief Road (GSRR) King 31 Phase 2, Grade Separated Junction onto A1, subject to the issues outlined in this report being addressed prior to award and this element of the scheme remaining within the scheme budget.

**Recommendation(s):**

It is recommended that the Executive Councillor for Highways, Transport and IT:-

- 1) approves in principle the award of a contract for King 31 Phase 2 Grade Separated Interchange onto A1.
- 2) delegates to the Executive Director for Environment and Economy, in consultation with the Executive Councillor for Highways Transport and IT, authority to take all steps necessary to give effect to the decision in 1 above subject to the issues referred to in paragraph 4.3 of the report being satisfactorily addressed.

**Alternatives Considered:**

Do not progress with the contract award to deliver King 31 Phase 2. This option has been discounted because the advantages identified for the Grantham Area through the delivery of the scheme would not be realised, and the fees and costs incurred to date would be abortive and the opportunity of significant grant funding would be lost. In addition the decision not to proceed would have a significant adverse effect on the County Council's reputation in terms of the outcome of future grant bids.

### **Reasons for Recommendation:**

To allow the works for King 31 Phase 2 to proceed which will in turn be a catalyst and driver for the Southern Quadrant Link Road (SQLR) and the completion of the whole GSRR.

## **1. Background**

- 1.1 The Grantham Transport Strategy 2007-2021 identified the need for an east west relief road to bypass the centre of Grantham for traffic and open up the town and surrounding area to a significant amount of growth. The main benefits are:-
- Improve the town centre environment and improving air quality.
  - Relieve congestion in the town centre and reduce the risk of bridge strikes particularly to the east coast main line.
  - Improve strategic road link in east west direction, reducing journey times.
  - Unlock the Southern Quadrant development for housing and employment (Spitalgate Heath). The recent Central Government announcement of a designated Garden Village in 2017 increases the profile.
  - Unlock the King 31 employment site.
- 1.2 The East West Relief Road is now known as the Grantham Southern Relief Road and has been split into three separate phases. Starting from the West to East, King 31 (Phase 2) is the Grade Separated Interchange onto the A1 which is now the focus of this paper. King 31 (Phase 1) is the section from the Grade Separated Junction to the B1174 (now completed) and Phase three is the Southern Quadrant Link Road (SQLR).

## **2. Previous Approval and Scheme Development King 31 Phase 1**

- 2.1 Approval to proceed with the Grantham Southern Relief Road project which comprises both the King 31 Road (Phase 1) and A1 Grade Separated Junction (Phase 2) and the Southern Quadrant Link Road (SQLR) was granted through a Decision Notice from Cllr Marc Jones, Executive Councillor for Finance and Property and Cllr R Davies, Executive Councillor for Highways and IT on 23 July 2015 on the basis of an exempt paper considered by Highways and Transport Scrutiny Committee on 13 July 2015.
- 2.2 The above approval included approval to award a contract for King 31 (Phase 1). A contract was awarded to Fitzgerald Contractor for £3.5m with a start date of 21 September 2015 with duration of 26 weeks. The works were procured through the LCC Highway Select Framework under competition. These works created a new roundabout on the B1174 and a road extending westwards towards another roundabout with an access leg onto to the future King 31 development land. An opportunity to extend the road towards the A1 was taken with these works by using some rock

material to the west for fill on the B1174 roundabout to maximise the benefits. Those works are now complete and the road open to traffic.

### **3. King 31 Phase 2 Grade Separated Junction**

- 3.1 LCC inherited a planning permission from the developer Buckminster Estates for the site known as King 31, granted in 2009. This permission has a condition that the section of road (A1 to B1174) must be completed prior to the occupation of the development site. After consideration the 2009 planning permission was not suitable to deliver a grade separated interchange for the GSRR. A new planning permission was granted by Lincolnshire County Council planning Authority in May 2016 which increased the red line boundary to provide sufficient working area to build the slip roads.
- 3.2 A full design package was submitted to Highways England for technical approval in December 2016 which included some departures from standard. These departures from standard have now been approved. The proposed change of use of the King 31 development site by Buckminster Estates from the consented scheme will require a new planning application with revised projected traffic flows onto and off the A1 and these are now being considered as a new departure from standard which will need to be approved by Highways England. The approval of the new departures from standard is critical to Highways England approving the technical design.
- 3.3 In order to deliver the scheme, Highways England will be required to publish Line Orders. These line Orders cannot be published until the technical design is approved by Highways England. These Orders include the diversion of a Public Right of Way and will incorporate Compulsory Purchase Order powers for the acquisition of third party land.
- 3.4 Negotiations to acquire third party land by agreement are ongoing and the CPO powers provide some additional assurance that LCC will not be held to ransom should negotiations stall.
- 3.5 The whole delivery of the GSRR is reliant on an agreement with the adjoining developer and the major landowner Buckminster Estates, to ensure that no selective benefit is conferred on them by construction of the road and therefore the County Council manages the risk of State Aid. Heads of Terms have been agreed but legally binding agreements have not yet been concluded. The signing of a legally binding agreement is a pre-requisite to proceeding with the award of a contract to construct the grade separated junction.
- 3.6 In order to work on the Highways England A1, LCC will need to sign up to an agreement under section 6 of the Highways Act 1980. This will allow the LCC contractor to work on the trunk road network. A commuted sum will be payable to Highways England to maintain the new infrastructure provided by LCC to deliver the grade separated interchange which cannot be finalised

until the design is approved. Another condition imposed on LCC by Highways England is the need to address the loss of lay by provision created by this scheme, which will require the building of additional laybys on the A1 beyond the site of the grade separated junction. These details have still not been finalised with Highways England and will need to be designed. The condition requires these laybys to be provided before the opening of the works for the grade separated junction and could be delivered by Highways England.

#### **4. Procurement of King31 Phase 2 Grade Separated Junction**

- 4.1 Galliford Try was appointed via a call off procedure from the Midland Highway Alliance Framework by LCC in January 2016, to carry out Early Contractor Involvement and to develop a Target Cost price.
- 4.2 A provisional Target cost has been developed based on the submitted full design package submitted to Highways England. No prices have been developed for the laybys required by Highways England since details are still to be agreed and a commuted sum will be developed from an approved final design.
- 4.3 It is proposed to award a contract to Galliford Try through the Midland Highway Framework subject to the following issues being satisfactorily addressed
  - Approved Technical design from Highways England
  - Confirmation of Line Orders (including CPO and PROW diversion) processed via Highways England
  - Concluded legally binding agreement with the Developer for King 31
- 4.4 The earliest start date for works on site is July 2017 subject to all the issues identified in 4.3 being resolved and that assumes no Public Inquiry will be required as part of the Orders process. The estimated contract period is 18 months.
- 4.5 In order to achieve a July 2017 start date and allow mobilisation the Executive Councillor is requested to approve in principle the award of a contract (including laybys) on up to a value of £20m. It is proposed that the decision to award the contract will be taken by the Executive Director for Environment and Economy in consultation with the Executive Councillor subject to the matters identified at paragraph 4.3 being satisfactorily concluded.

## 5. Costs and Funding of the Grantham Southern Relief Road

5.1 The current projected capital project cost breakdown is

	Previous Years £m (Actual)	2016/17 £m	2017/18 £m	Future years £m	Total £m
King31 Phase 1 Contract (Completed)	2.969	1.304			4.273
King31 Phase 2 Contract (GSJ A1)			7.000	13.000	20.000
SQLR				44.000	44.000
Fees and other support	2.797	0.796	3.000	4.634	11.227
Utility Diversions	1.349	0.100	0.100	0.451	2.000
<b>TOTAL</b>	<b>7.115</b>	<b>2.200</b>	<b>10.100</b>	<b>62.085</b>	<b>81.500</b>

## 5.2 Contributions

5.2.1 LCC and SKDC, working in collaboration, have already secured three sources of grant totalling £33m which will fund the whole of the King 31 Phase 1 and Phase 2 and an element of SQLR. This comprises the Local Transport Board grant of £11.9m, Single Local Growth Fund grant of £16.1m and Highways England Growth and Housing Fund grant of £5m.

5.2.2 The remainder of the funding will be provided by Developer contributions through a S106 agreement for the Southern Quadrant Development and separate financial agreement for King 31. LCC will forward fund the S106 agreement contributions and the balance will be funded by LCC.

	Previous Years £m (Actual)	2016/17 £m	2017/18 £m	Future Years £m	Total £m
Grant LTB, SLGF, GHF	7.115	2.200	10.100	13.585	33.000
Developer contributions	0.00	0.000	0.000	28.500	28.500
LCC Contribution + Forward Funding				19.500	19.500
SKDC Contribution				0.500	0.500
<b>TOTAL</b>	<b>7.115</b>	<b>2.200</b>	<b>10.100</b>	<b>62.085</b>	<b>81.500</b>

## **6. Legal Issues:**

### Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic

Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it

Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

Consideration has been given to the equality act duty in this instance and there are not considered to be any direct negative impacts of the decision. The works are not expected to take place in areas to which the public have access. To the extent that any of the works would affect members of the public, suitable measures will be taken to maintain access and safety for people with a protected characteristic.

### Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

Consideration has been given to the JSNA and the JHWS as can be seen from the Objectives of the scheme set out below which will be realised when all three phases of the GSRR are complete and this decision relates to the second of three phases.

To support the delivery and sustainable economic growth through the provision of a reliable and efficient transport infrastructure within the Grantham Transport Strategy area by diverting traffic and HGV's from the centre of Grantham.

To reduce the congestion, carbon emissions, improve air and noise quality within the Grantham Town Centre by the removal of strategic through traffic (particularly HGV's)

### Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

This requirement has been taken into account but the proposals set out in this Report are not considered to affect the above matters

## 7. Conclusion

- 7.1 Approval to proceed with the Grantham Southern Relief Road (GSSR) project was granted on 23 July 2015. This approval included the approval to award a contract for King 31 Phase 1 which has now been delivered.
- 7.2 Approval is now sought to implement the second phase of the GSRR through the approval to award the main contract for King31 Phase 2 the Grade Separated Junction onto the A1, subject to the issues identified in the report being addressed and the this element remaining within the defined budget.

## 8. Legal Comments:

The Council has the power to enter into the contract and to carry out the works proposed.

The legal considerations and the matters to be taken into account are dealt with in the Report.

The decision is consistent with the Policy Framework and within the remit of the Executive Councillor if it is within the budget.

## 9. Resource Comments:

There is sufficient budget assigned to this scheme within the Council's approved capital programme, for the recommendation within this report to be agreed.

## 10. Consultation

### a) Has Local Member Been Consulted?

N/A

### b) Has Executive Councillor Been Consulted?

Yes

### c) Scrutiny Comments

This Report will be considered by the Highways, Transport and IT Scrutiny Committee on 27 February 2017 and the comments of the Committee will be reported to the Executive Councillor.

### d) Have Risks and Impact Analysis been carried out?

Please see the body of the report

## e) Risks and Impact Analysis

Please see the body of the report

## 11. Background Papers

Document Title	Where the document can be viewed
Grantham Southern Relief Road – Executive Decision Notice Ref 1009473 dated 23 July 2015	Online: <a href="http://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=240">http://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=240</a>

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