

**NORTH SOMERSET COUNCIL
DECISION**

DECISION OF: DIRECTOR OF DEVELOPMENT AND ENVIRONMENT

WITH ADVICE FROM: HEAD OF STRATEGIC PROCUREMENT AND
S151 OFFICER



DECISION NO: 19/20 DE 295

SUBJECT: MAJOR ROAD NETWORK (A38) – OUTLINE BUSINESS CASE (OBC)

KEY DECISION: YES

REASON:

Significant impact in terms of its potential effects on communities living or working in an area comprising two or more wards.

DECISION:

1. To approve the OBC commissioning and procurement plans;
2. To note the DfT OBC terms and conditions attached at Appendix 1;
3. To approve an increase in the capital programme of £358k to be funded from Bristol Airport S106 XCH113 contributions at £101k and £257K DfT grant.

SUMMARY OF REPORT

North Somerset Council submitted a Strategic Outline Business Case (SOBC) to the Department for Transport (DfT) in July 2019 for possible highway improvements on the A38 Major Road Network. After assessment by the DfT the SOBC was approved to progress to the OBC stage with funding from DfT and S106 confirmed and available for this next stage.

The OBC stage requires specialist consultant support to develop a fully compliant OBC bid which is due to be submitted in Autumn 2020.

POLICY

- CS10 Transportation and movement
- CS12 Achieving high quality design and place making
- CS15 Mixed and balanced communities
- CS20 Supporting a successful economy

DETAILS:

Major Road Network

The Major Road Network (MRN) forms a middle tier of the country's busiest and most economically important local authority 'A' roads, sitting between the national Strategic Road Network (SRN) and the rest of the local road network.

The MRN has five central objectives which build on the commitments made in the Transport Investment Strategy. Those objectives are to:

- **Reduce congestion** – alleviating local and regional congestion, reducing traffic jams and bottlenecks.
- **Support economic growth and rebalancing** - supporting the delivery of the Industrial Strategy, contributing to a positive economic impact that is felt across the regions.
- **Support housing delivery** - unlocking land for new housing developments.
- **Support all road users** - recognising the needs of all users, including cyclists, pedestrians and people with disabilities.
- **Support the Strategic Road Network** – complementing and supporting the existing SRN by creating a more resilient road network in England.

In July 2019, NSC and Somerset County Council submitted to the DfT a Strategic Outline Business Case (SOBC) to provide a package of measures which aim to remove pinch points, increase capacity and improve safety along the A38 between Bristol, the Airport and Junction 22 of the M5. The anticipated benefits of the scheme would be improved journey times, a reduction in traffic diverting onto less appropriate routes through sensitive villages or narrow lanes, and improved resilience for when there are incidents on the M5, for which the A38 is a diversion route.

The SOBC provided evidence that, without the scheme, pressure would be placed on the M5 (the SRN) as well as the local highway network resulting in increased congestion. In addition, economic growth would be stifled and the potential social and economic benefits arising from the airport would not be realised.

At the SOBC stage, the scheme was estimated to deliver a Benefit Cost Ratio (BCR) of 4.7, which represents very high value for money.

The SOBC was successful and in October 2019 the DfT granted development funding to NSC and SCC to develop the scheme to Outline Business Case (OBC). This was confirmed in writing on the 03 December 2019. The grant was accepted in principal by NSC on the 19 December 2019.

The proposed A38 MRN package is listed below and summarised in Figure 1.

- A38/Barrow Street Improvement;
- A38/Downside Road Improvement;
- Widening of the A38 between the Airport Access and Silver Zone Roundabout;
- A38 Redhill Safety Scheme;
- A38 Cowslip Green Alignment Improvement;
- A38 Cross Safety Scheme;
- A38 Rooks Bridge Safety Scheme; and

Commercial Case

Detailing the output-based specification. Procurement strategy including payment mechanisms, pricing framework, risk allocation and transfer, contract length and management.

Management Case

Project dependencies. Governance and structure, assurance and approvals plan. Risk management strategy, benefits realisation plan and monitoring and evaluation.

Deliverables

OBC document in line with DfT Transport Business Case guidance; including;

- Appraisal Specification Report to ensure DfT agreement;
- Risk Register and QRA;
- Scheme design;
- Cost Estimates;
- Programme;
- Road Safety Audit Stage 1;
- CDM;
- Preliminary Environmental Assessment Report;
- Full WebTAG worksheets and Appraisal Summary Tables for Water, Heritage, Landscape, Biodiversity and Noise – AST only for Air Quality;
- Habitat Regulation Assessment screening study and report;
- Date and Base Model;
- Forecasting and Economics.

TIMESCALES

Send out procurement to WECA framework suppliers	07 February 2020
Submissions received	28 February 2020
Evaluation	02 March – 13 March 2020
Moderation	23 March 2020
Contract award report approval	23 March – 03 April 2020
Contract starts	Early April 2020
MRN OBC submission	November 2020

The suppliers on the WECA Framework are:

Aecom Ltd
Atkins Ltd
WSP Ltd

SOCIAL VALUE

The procurement will use the Framework's approach to social value whereby bidders will complete a TOMS (Themes Outcomes and Measures) template which quantifies the bidders social value contributions. This will make up 10% of the weighting in accordance with the council's social value policy.

EVALUATION

The Framework notes the following quality questions:

Approach to the project (methodology);
 Identification of the risks within the project;
 Management of those risks;
 Resourcing of the project.

The weightings will be
 Quality 50%
 Social Value 10%
 Price 40%

The pricing schedule will show different stages, and associated payments on achievement of certain core milestones, detailed below;

Risk	Risk Workshops, Register and QRA
Transport Planning	OBC document content, coordination and compilation
Highways	Scheme design
	Cost estimates and QRA input
	OBC input and programme
	Road safety audit
	CDM
Environment	Coordination
	Preliminary EAR
	WebTAG for OBC
	HRA screening
Transport Modelling	ASR
	Data
	Base Model
	Forecasting and Economics
	Business Case

The scoring matrix that will be used in shown below:

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met, and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with

		deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

CONTRACT MANAGEMENT

The contract will be managed by the Major Scheme Project Manager who will implement a staged payment approach against the milestones detailed to ensure delivery of the OBC documents enables submission to the DfT in line with programme requirements of November 2020.

OPTIONS CONSIDERED:

1. Procure consultancy services through the WECA Professional Services Framework which has three suppliers on it. The Framework agreement has been compliantly procured and is open to North Somerset Council to use. For call-off contracts over £50k, mini competitions are required. It will save time and resource as the suppliers are pre-qualified and a standard call-off contract is used. Having three suppliers on the framework also means there will be a competitive process driving quality and value for money.
2. Procure the consultancy services via an open tender. This would be more resource intensive and longer than the WECA Professional Services Framework option. This option would not enable the OBC to be submitted in Autumn 2020.
3. Procure the consultancy services via another Framework eg CCS Management Consultancy Framework Two, however, the Business Consultancy Services Lot (Lot 1) has 268 suppliers so a down selection process of "Service Filters" and/or Expressions of Interest would have to be applied which would add to the time and resource required. This option would not enable the OBC to be submitted in Autumn 2020.

FINANCIAL IMPLICATIONS:

Costs

The costs are estimated at £360k.

Funding

The consultancy services required will be funded from Bristol Airport S106 XCH113 contributions at £101k and £257k from DfT OBC grant award.

LEGAL POWERS AND IMPLICATIONS

The WECA Professional Service Framework is compliant with the Public Contract Regulations 2015.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None specifically within this procurement opportunity, however the bidders' social value proposals could include: -

- Climate Impacts are reduced (savings in CO₂ emissions not from transport).
- Air pollution is reduced (car miles saved, number of low or now emission staff vehicles).
- Better places to live (voluntary time dedicated to green infrastructure etc).
- Sustainable Procurement is promoted (% of proc contracts including sustainable procurement commitments).

However, the proposal includes the requirement for an assessment of climate change resilience where impacts, mitigation and management are clearly identified. The report will outline the methodology to be used for further assessment, should the scheme go ahead, through the EIA process.

CONSULTATION

N/A

RISK MANAGEMENT

Risk	Mitigation
Poorly specified requirements	Engage with framework suppliers to ensure requirements are clear & comprehensive.
Procurement proposal more expensive than expected	Engagement with bidders to establish that the budget is realistic.
Little appetite for the opportunity	New framework – bidders keen to engage and obtain commissions.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? No

An initial screening exercise has been carried out to identify protected characteristics that the Equality Act 2010 requires us to consider, in relation to the highway proposals. An EIA will be undertaken as part of the OBC.

CORPORATE IMPLICATIONS

The provision of key enabling infrastructure and the improvement of the transport network widely supports the Corporate Plan objectives in all areas of Prosperity and Opportunity, Health and Wellbeing and Quality Place.

APPENDICES

DfT Grant Approval Letter dated 03 December 2019.

BACKGROUND PAPERS

BSWEL Report to Executive 25 April 2017

<http://apps.n-somerset.gov.uk/cairo/docs/doc28048.pdf>

DfT MRN investment planning guidance

<https://www.gov.uk/government/publications/major-road-network-and-large-local-majors->

[programmes-investment-planning.](#)

MRN SOBC Submission dated 23 July 2019

SIGNATORIES:

DECISION MAKER(S):

Signed:Director of Development and Environment

Date:

WITH ADVICE FROM:

Section 151 Officer
Head of Strategic Procurement



Department for Transport

Richard Penska
Interim Director of Finance
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London SW1P 4DR
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3 December 2019

Major Road Network – Grant for Development Costs – A38 Bristol Airport Access Improvement

Dear Richard,

This letter is to confirm the decision of Ministers to make a funding contribution from the Department for Transport of £192,000 in 2019/20 for development work on the A38 Bristol Airport Access Improvementscheme up to and including the production of an Outline Business Case (OBC) as defined in the DfT's Transport Business Case guidance.

Grant will be paid to you under Section 31 of the Local Government Act 2003 and is awarded subject to the following:-

- a) The funding is capital in nature and so relies on your authority being able to capitalise the expenditure to which it relates;
- b) The funding is to undertake work on the A38 Bristol Airport Access Improvements as described in the application for funding from the Major Road Network programme and should not be used for any other purpose such as advanced purchase of land, utilities diversions etc. Any significant updates or changes to this scope should be agreed with DfT.
- c) DfT reserves the right to seek reimbursement from your authority of any payments made relating in respect of this grant award in the event that the scheme is not constructed.
- d) The development work to be undertaken and the OBC to be produced will be consistent with the DfT's Transport Business Case guidance and Transport Appraisal Guidance (WebTAG).
- e) North Somerset Council is responsible for meeting all costs of producing the OBC over and above this funding.
- f) DfT expects the needs of all users, including cyclists, pedestrians, disabled people and public transport users, to be considered and benefits for them delivered as part of the solutions proposed in this scheme.

- g) A DfT representative may attend Project Board meetings as observer and Project Board papers and minutes should be provided to DfT on request.
- h) In general, updates of progress, and information on work carried out should be shared to DfT on an open and transparent basis and no reasonable request for information withheld.

I attach a grant determination for the 2019/20 financial year.

Please confirm that you are content to accept the grant on the terms described above and we will then arrange payment of the grant.

Yours sincerely

A handwritten signature in black ink, appearing to read "Robert Fox". The signature is written in a cursive, slightly stylized font.

Robert S Fox

ACKNOWLEDGMENT AND ACCEPTANCE DECLARATION

A38 Bristol Airport Access Improvement

I acknowledge receipt of the S31 grant letter for North Somerset Council for 2019/20 and

I accept the grant offer for and on behalf of North Somerset Council subject to the terms and conditions set out in this letter and the annexes to this letter. I confirm that I am lawfully authorised to do so.

SIGNED (CHIEF FINANCE OFFICER).....

PLEASE PRINT NAME.....

DATE.....

Please return to the Department for Transport, c/o Robert S Fox, Section 31 Claims Manager, Local Infrastructure, 2/15, Great Minster House, 33 Horseferry Road, London SW1P 4DR.

Grant Determination for the Local Authority Major Road Network Project Grant No: 31/3751

The Secretary of State for Transport ("the Secretary of State"), in exercise of the powers conferred on him by section 31 of the Local Government Act 2003, hereby makes the following determination:

Citation

1. This determination may be cited as the Local Authority Major Road Network Project Grant Determination for 2019-20 No 31/3751.

Purpose of the grant

2. The purpose of the grant is to provide support to receiving authorities in England towards expenditure lawfully incurred or accrued by them as capital costs of for the scheme specified in Annex A, in the year up to 31st March 2020.
3. In making this grant the Secretary of State does not intend to effect a private law contractual relationship with the receiving authorities.

Determination

4. The Secretary of State determines:

(a) that the authorities listed in Annex A are the authorities to which grant under this determination is to be paid; and

(b) that the maximum amount of grant payable to each authority in respect of 2019-20 shall be the amount shown against the name of the authority in Annex A.

Treasury consent

5. Before making this determination in relation to local authorities in England, the Secretary of State obtained the consent of the Treasury.

Grant conditions

6. Pursuant to section 31(3) and 31(4) of the Local Government Act 2003, the Secretary of State determines that the grant will be paid subject to the conditions in Annex B.



Signed by authority of the Secretary of State

3 December 2019

Annex A – Authorities to which grant is to be paid and maximum amount of grant to be paid

Local Authority	Scheme	Grant Type	2019/20 Grant Allocation (£)
North Somerset Council	A38 Bristol Airport Access Improvement	Capital	192,000

Annex B – Grant conditions

Grant Conditions

1. Grant paid to local authorities under this determination may be used only for the purposes for which a capital receipt may be used in accordance with regulations made under section 11 of the Local Government Act 2003.
2. The Chief Executive and Chief Internal Auditor of each recipient authority is required to sign and return to the Section 31 Grant Claims Manager (Local Authority Major Schemes) in the Department for Transport a declaration, to be received no later than six months after the physical completion of the relevant scheme(s), in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Local Authority Major Road Network Project Grant Determination 2019-20 No: 31/3751 have been complied with.”
3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Secretary of State may:
 - a) reduce, suspend or withhold grant; or
 - b) by notification in writing to the authority, require the repayment of the whole or any part of the grant.
4. Any sum notified by the Secretary of State under paragraph 3 (b) shall immediately become repayable to the Secretary of State.