

Officer Non Key Executive Decision

Relevant Chief Officer (Decision Maker):	Neil Jack, Chief Executive
Relevant Cabinet Member (for consultation purposes):	Councillor Lynn Williams, Leader of the Council and Cabinet Member for Tourism, Arts and Culture
Report Author (Officer name and title):	Rob Green – Head of Enterprise Zones: – Growth and Prosperity Team, Communications and Regeneration Directorate
Implementation Date of Decision:	28 March 2024

PROPOSAL TO AWARD THE CONTRACT FOR THE DEVELOPMENT OF THE EASTERN GATEWAY HIGHWAY

1.0 Purpose of the report:

- 1.1 To seek instruction to authorise the award of the contract for the construction of the 'Eastern Gateway' highway, which is a key part of the Blackpool Airport Enterprise Zone Towns Fund project.

2.0 Recommendation(s):

- 2.1 The recommendations are to:
- a) confirm agreement to approve a direct award to George Cox and Sons Limited from the STAR framework, and
 - b) to authorise the Head of Legal Services to complete the required contract documentation.

3.0 Reasons for recommendations:

- 3.1 The 'Eastern Gateway' highway is the primary engineering and construction project which will provide the infrastructure in order to allow delivery of the Eastern Gateway phase of the Blackpool Airport Enterprise Zone.

The Eastern Gateway comprises c10.5ha of commercial development land which will accommodate c450,000 sqft of modern, high spec commercial property aimed at the advanced manufacturing, food and drink, energy, aviation, and digital sectors, and support up to 600 jobs.

This project comprises the bulk of the Blackpool Enterprise Zone phase one delivery

budget, and in order to achieve cost efficiency and an acceptable highway development Blackpool Council has been in Early Contractor Involvement (ECI) with a contractor since July 2023.

This appointment allowed the council to achieve best value for money, by allowing the contractor to work with the design team to refine design and maximise buildability thus saving costs and delays. ECI has allowed for direct engagement with the contractor and provide a platform for open dialogue and review of the Eastern Gateway highway design and ultimately highway delivery, with specific focus around integration of the statutory undertakers infrastructure, full appreciation of the ground conditions, drainage complexities and traffic management related to delivering this project.

The Enterprise Zone sought Executive approval in December 2023 for the approval of the Town Deal EZ Highways project budget. Approval was granted on the basis of an anticipated project value of £18.4m, with £7.5m being contributed via the Blackpool Town Deal. The Town Deal expenditure has to be defrayed by March 2026.

Approval was also granted to delegate to the Chief Executive, in consultation with the Leader of the Council, the direct contract award to the preferred contractor for the road infrastructure following the period of Early Contractor Involvement and satisfactory contract offer.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

The alternative to the direct award would be to open the project up to the wider framework inviting tenders from all contractors on the framework, or to follow a full open tender route. Due to the nature of the proposed works which require close collaboration with statutory undertakers and the pressure on both cost and delivery programme within the constrained Towns Fund timeframe and funding, it is considered that opening the project up to the wider framework / open tender would lead to significant delays in the ultimate contract award, would not support delivery of maximum social value and not provide the full benefits of ECI in rationalising design and buildability. In turn these factors have an adverse knock on effect with regards to project cost. Delays in the delivery of the highway have a wider adverse effect on the delivery of the commercial development proposed for the Eastern Gateway, delaying income and jobs and receipt of business rates.

4.0 Council Priority:

4.1 The relevant Council Priority is

- “The economy: Maximising growth and opportunity across Blackpool”

5.0 Background Information

5.1 Wildes Consulting Limited are appointed as highways designers in relation to the ‘Eastern Gateway’. They have provided a final detailed design upon which the contractor has formulated their offer.

5.2 STAR procurement are a shared procurement service with Stockport, Rochdale, Tameside and Trafford councils. STAR Procurement supports its four councils, along with its partners, with a broad range of procurement services for supplies, services and works contracts that are not provided or delivered in-house by each council. Blackpool Council have signed a no commitment access agreement to the 5090: Framework agreement for highway related services.

5.3 The contract used for the STAR Framework is the NEC 4 Engineering and Construction Contract, Option B: Priced Contract with Bills of Quantities.

5.4 The specification is based upon the Highways Agency ‘Specification for Highway Works’ and Standard Details.

5.5 Does the information submitted include any exempt information? Yes

The information regarding the commercially confidential cost estimates of the schemes in Appendices B, C and D (listed below) is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

5.6 List of Appendices:

A – Plan showing the general arrangement for the Eastern Gateway highway.

B – Project offer and commentary [EXEMPT]

C – Project offer breakdown based on Bill of Quantities [EXEMPT]

D – Project programme (draft) [EXEMPT]

6.0 Legal considerations:

6.1 The formal contract will be entered into once the direct award has been finalised.

7.0 Human Resources considerations:

7.1 N/A

8.0 Equalities considerations:

8.1 As part of the direct award of the contract a full programme of Social Value commitments that align closely with Blackpool Council's Social Value Policy will be agreed. This will allow the scheme to have the most positive social value outcomes possible.

9.0 Financial considerations:

9.1 Funding of £7.5m has been awarded from the Town Deal Fund toward an overall estimated cost of circa £18.4m for delivery of phase one of the Enterprise Zone, which was fully reflected in the current EZ delivery plan approved in December 2023.

As part of the ECI discussions, several cost plans were produced to realise the cost of the scheme, identify likely construction risks, make assumptions on the methodology of works, and provide a realistic programme of works. Most of these risks have now been realised following detailed design and a full appreciation of the difficult ground conditions which have influenced the design and build methodology considerably from the last iteration of the cost plan.

The total project value remains within the anticipated project cost of £18.4m.

Please see Appendix B + C for a project value, breakdown and commentary for further context and details.

Appendix D provides a draft programme (first programme to be finalised once contracts are formally entered) in relation to the anticipated spend profile.

10.0 Risk management considerations:

10.1 Risk associated with the project will be identified prior to commencement and logged within a risk register which will be monitored regularly.

11.0 Sustainability, climate change and environmental considerations:

11.1 The project fully incorporates a sustainable drainage scheme which will seek s104 adoption by united utilities.

12.0 Internal/ External Consultation undertaken:

- 12.1 Consultation has been undertaken with the Director of Communications and Regeneration, the Growth and Prosperity Programme Director, Legal, Finance, Procurement and Highways teams within the Council, and with external design consultants Wildes.

13.0 Decision of Chief Officer

- 13.1 To confirm agreement to approve a direct award to George Cox and Sons Limited from the STAR framework.

To authorise the Head of Legal Services to complete the required contract documentation.

14.0 Reasons for the Decision of the Chief Officer

- 14.1 The 'Eastern Gateway' highway is the primary engineering and construction project which will provide the infrastructure in order to allow delivery of the Eastern Gateway phase of the Blackpool Airport Enterprise Zone.

The Eastern Gateway comprises c10.5ha of commercial development land which will accommodate c450,000 sqft of modern, high spec commercial property aimed at the advanced manufacturing, food and drink, energy, aviation, and digital sectors, and support up to 600 jobs.

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