

Division(s):

## **CABINET – 16 SEPTEMBER 2014**

### **A34 Major Improvements Schemes**

#### **Report by Director for Environment & Economy**

#### **Introduction**

1. **Cabinet is asked to:**

- (a) Approve the Stage 2 – Full Business Case for the Milton Interchange scheme.
- (b) Give delegated authority to the Director for Environment and Economy in consultation with the Leader to award the contract for construction once tender assessment is complete and provided the costs are within the budget envelope.

#### **Exempt Information**

2. Annex 2 contains commercially sensitive information. The public should therefore be excluded during consideration of the Annex as discussion in public would be likely to lead to the disclosure to members of the public present of information in the following category prescribed by Part I of Schedule 12A to the Local Government Act 1972 (as amended):

*Category 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that where a tender or bidding process is in progress disclosure would distort the proper process and would prejudice the position of the authority in the process of the transaction and the Council's standing generally in relation to such transactions in future, to the detriment of the Council's ability properly to discharge its fiduciary and other duties as a public authority.

#### **Background**

##### **Science Vale UK context**

3. Major growth is proposed across the area to deliver in the order of 16,000 homes and 20,000 jobs by 2029. Harwell Oxford and Milton Park have Enterprise Zone status, aiming to deliver 8,500; Didcot and Wantage/Grove are the key settlements for housing growth.

## **Milton Interchange**

4. In February 2013, an application for Large Project Bid funding of £6.6m was submitted to the Department for Transport (DfT) entitled “Milton Interchange Improvement: Enhancing Science Vale UK (SVUK) Enterprise Zone accessibility” to undertake both detailed design work and subsequent construction of this scheme.
5. This scheme is key to delivering growth and is a priority for the County Council and Local Enterprise Partnership (LEP). Consequently, both parties committed funding towards the project. The County Council is contributing £2.025m from held section 106 funds and the LEP agreed to contribute £2.000m from expected business rate income.
6. £5.0m of Local Pinch Point Funding has been awarded. In order to meet the resulting funding gap the LEP has agreed to contribute a further £1.600m from the Growing Places Fund as a non-repayable grant.
7. One of the criteria for the Local Pinch Point Funding was that Department for Transport funding must not go beyond 2014-15 financial year.
8. The County Council will work in partnership with the Highways Agency to deliver the project. The Highways Agency has responsibility for the operation and maintenance of the A34 and slip roads at Milton Interchange. This scheme will require a new structure under the A34. The Highways Agency will take responsibility for this structure and will play a vital role in ensuring the delivery of this project.
9. This scheme will provide a ‘hamburger’ link at Milton Interchange for traffic from the westbound A4130 heading onto the northbound A34 towards Oxford. The proposal is also to include widening the Milton Park Link, eastbound A4130 and southbound A34 off-slip approaches to the circulatory to four lanes.
10. The scheme will provide enhanced connectivity of the Science Vale UK Enterprise Zone to the national road network by improving the operation and increasing the capacity at Milton Interchange, the area’s gateway to the A34. This will provide confidence and reliability in the transport network to attract and secure business investment in the Enterprise Zone and provide the good accessibility required to attract high-end employees for high-spec jobs.
11. This scheme is also linked to a project to deliver north facing slips at Chilton junction to the south on the A34 to accommodate better access to Harwell Oxford, which is discussed below.

## **Chilton Slips**

12. In October 2013 an application for Local Pinch Point Funding of £5 million was submitted to the Department for Transport (DfT) as a contribution towards proposed improvements to Chilton Interchange.
13. The total estimated scheme cost is approximately £11 million. It is proposed that this is funded from two main sources; the Department for Transport Local Pinch Point Funding bid described above and via match funding of £5.7 million from the Local Enterprise Partnership's (LEP) Local Infrastructure Funding from expected Enterprise Zone (EZ) business rates income.
14. It is important to bring forward this scheme to enable full access to the A34 for Harwell Oxford Campus Enterprise Zone.
15. Release of £5 million from the Department for Transport is subject to close working with the Highways Agency (HA) in relation to the new north facing slips and extended underpass under the A34.
16. The Highways Agency will take responsibility for the slips and will play a vital role in ensuring the successful delivery of this project.
17. Substantial scheme progress should be made by March 2015 to meet the current terms of both funding streams.

## **Key Issues**

### *Milton Interchange*

18. This update is primarily focused on Milton Interchange and the updated Stage 2 Business Case, which considers the scheme at Tender stage, is attached for approval.
19. Procurement phase is still active on an OJEU compliant Tender exercise, and Confidential Annex 2 details the current position of this.
20. As stated in 2. Above, the council has specific spend targets from the Department for Transport associated with this scheme. In order to maximise the opportunity for the council to achieve this target and on the basis the procurement exercise concludes within the current budget expectation, and within the Stage 2 Business Case allowance for the element of the works (before risk/contingency allowance), Cabinet is asked to approve the Delegation for Award of the external contract to the Director of Environment & Economy in consultation with the Leader.

### *Chilton Slips*

21. There have been three objections to the Draft Slip and Side Road Orders submitted for the Chilton Slip Road. One of these is from Chilton Parish Council (CPC) and as they are a Statutory Consultee, if they are not prepared

to withdraw their objection then a Public Inquiry into the Orders must be held. As a result the Highways Agency has written to Chilton Parish Council confirming they will commence Public Inquiry arrangements

22. If the objection is not with-drawn and a Public Inquiry has to be held the scheme will incur significant delays. Current advice from the Planning Inspectorate is that the earliest an Inspector could be assigned to an Inquiry is February 2015. Depending on the complexity of the issues raised, a report could be expected within 5 weeks after the Inquiry. The Secretary of State would then need time to consider the report and issue a written decision, putting the council's ability to achieve the required spend of £5m of Local Pinch Point Funding by March 2015 at risk.
23. The Public Inquiry position is only valid whilst there is a formal Objection in place, and the council are engaging with Chilton Parish Council to identify their Objections and concerns, with the intention of addressing issues without the need for a Public Inquiry. In addition the council is in discussion with both the Highways Agency and the Department for Transport regarding the potential programme and funding implications identified above.
24. Further update will be provided to Cabinet at its meeting on 21<sup>st</sup> October 2014.

## **Communications**

25. Milton Interchange consultations (Public and Interested Parties) have been undertaken to commence the scheme in November 2014, and release of the Business Case will trigger the final phase of the Communications plan.
26. Further discussion will be held with Chilton Parish Council, the Department for Transport and the Highways Agency to seek to mitigate the impact of the decision of the Parish Council to object to the scheme.
27. The Milton Interchange scheme is due to be awarded at the end September 2014 to meet a 'Site Start' of late October/early November 2014.
28. Agreement to allow the award of the Milton Interchange contract through the Delegated Authority route, minimising programme, and shortening mobilisation phase will allow the council to maximise spend in this financial year.

## **Financial and Staff Implications**

29. The current assessment of the Milton Interchange scheme suggests that it can be awarded within current budget and indications are that spend profiles are compliant with Pinch-point funding commitments.
30. As a result of the statutory objection to the Chilton Slips scheme, further discussions are underway with the Department for Transport regarding the

budget implications for the Pinch Point funding associated with this scheme. An update on the position will be brought to the 21<sup>st</sup> October 2014 Cabinet meeting.

### **Equalities Implications**

31. N/A

### **RECOMMENDATION**

**The Cabinet is RECOMMENDED to**

- (a) approve the Stage 2 – Full Business Case for the Milton Interchange scheme; and**
- (b) pass delegated authority to the Director for Environment and Economy in consultation with the Leader to award the contract for construction once tender assessment is complete and provided the costs are within the budget envelope.**

SUE SCANE

Director for Environment & Economy

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