

Divisions Affected – Witney North and East, Eynsham

**DELEGATED DECISIONS BY CABINET MEMBER FOR
INFRASTRUCTURE AND DEVELOPMENT STRATEGY**

15 AUGUST 2024

**Access to Witney: Shores Green Junction Approval of Contract
Award of Construction**

Report by Director of Environment and Highways

RECOMMENDATION

The Cabinet Member is **RECOMMENDED** to

- a) **Delegate authority to the Director of Environment and Highways, to approve the entering into a Works contract with Milestone Infrastructure for the value of £12.703m (excl. VAT) pursuant to the Pagabo Civil and Infrastructure Framework (Lot 2), and to approve entering into an Enabling Works contract with Milestone Infrastructure via their existing Highways Partnership Contract (HPC) - Terms and Services Contract, for the value of £1.900m, together representing the full construction of the Access to Witney Scheme.**

Executive Summary

1. The A40 Access to Witney scheme proposes improvements to the existing B4022/A40 junction at Shores Green. The purposes of the A40 Access to Witney transport scheme are:
 - (a) To reduce congestion and improve air quality in central Witney, including on Bridge Street and in the Air Quality Management Area.
 - (b) To support the delivery of planned housing growth in Witney as set out in the West Oxfordshire Local Plan 2031.
 - (c) To improve access to the A40 from northeast Witney.
2. Planning permission for the Scheme was granted by the County Planning Authority in July 2023, with further permissions granted in March 2024 for minor design variations. A Public Inquiry for the necessary Compulsory Purchase Orders (CPO) and Side Road Orders (SRO) was held in mid-March 2024, and a decision from the Secretary of State for Transport is awaited.
3. In parallel the council is still seeking to acquire all of the land interests that it requires for delivery of the Scheme through private negotiation wherever possible.

Key Issues

4. It is essential that this decision is made urgently to ensure that the construction programme is not adversely affected. The key driver for using the Highways Partnership Contract Framework (Enabling Works) and the Pagabo Civil and Infrastructure Framework (Main Works) with Milestone Infrastructure is to expedite the construction process. This route will produce the shortest time to commence construction and ensure that the allocated Housing Growth Deal funding is spent by the end of March 2025, whilst adhering to the latest programme/timescales.

Financial Implications

5. As identified previously, this report seeks to ensure that authority is in place for entering of a Works contract (for the value of £12.703m excl. VAT) to be issued to Milestone Infrastructure, pursuant to the Pagabo Civil and Infrastructure Framework (Lot 2), and an Enabling Works contract with Milestone Infrastructure called-off via the Highways Partnership Contract Framework (for the value of £1.900m excl. VAT), for the full construction of the Access to Witney Scheme.
6. The total estimated final cost (EFC) of the Scheme is £25.025m. The Scheme will be funded via a mixture of Housing Growth Deal Funding (£15.578m), pending a re-allocation decision by FOP and Section 106 developer contributions (£9.447m) – S106 (Unsecured) of £6.64m which is to be forward funded by OCC Corporate Resources, and S106 (secured) of £2.81m held as secured contributions. The current total risk allocation for the project is £2.285m, forming 16% of the construction budget allocated.
7. There are no budgetary implications, as the budgets for the project have already been previously agreed by Cabinet.

Comments checked by: Rob Finlayson, Finance Business Partner
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Legal Implications

8. When procuring goods, services or works, the procurement must be conducted in accordance with the Council's Contract Procedure Rules and, where applicable, the Public Contracts Regulations 2015 (PCRs).

The total value of the proposed contract for the Works (including the Enabling Works) is £14.603m excl. VAT and therefore is above the PCRs threshold for services which currently stands at £4,447,447.50 (excl. VAT).

9. The Pagabo Civil and Infrastructure Framework (Lot 2) Agreement was entered into in May 2022 following a public procurement exercise under the PCRs and expires in May 2026. The proposed direct award contract between Pagabo and

the Council is a NEC4 Engineering Construction Contract – Option C (Target Price).

10. The Highways Partnership Contract Framework Agreement between OCC and Milestone Infrastructure was entered into on 1st April 2010 following a public procurement exercise under the PCRs and expires on 31st March 2025. Milestone Infrastructure are the sole supplier on this framework. The proposed call-off contract (Task Order) for the Enabling Works between Milestone Infrastructure and the Council is a NEC3 TSC (Terms and Services Contract) Option E.
11. The Council will be delivering the construction of the Access to Witney scheme in its capacity as the highway authority for Oxfordshire under the Highways Act 1980.

Comments checked by: Susannah Bailey, Locum Construction Solicitor
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Staff Implications

12. There are no staff implications.

Risk Management

13. If the Council does not enter into a contract with Milestone Infrastructure for the construction of the scheme as soon as practicably possible, this could put pressure on the County Council's ability to spend the Housing Growth Deal funding allocated to the scheme by the end of March 2025. Furthermore, Milestone Infrastructure will not be able to commence construction as per the latest programme until both contracts have been issued, which could have financial and time implications. Both of these risks could result in reputational damage if the Council does not enter the contract in a timely manner.

Paul Fermer
Director of Environment and Highways

Annex: Annex A – Project Details

Background papers: Nil

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