

Divisions Affected – Abingdon North

**CABINET MEMBER FOR
INFRASTRUCTURE & DEVELOPMENT STRATEGY
16 November 2023**

Delegation to the Corporate Director of Environment & Place to approve the County Council to award two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme

Report by Corporate Director of Environment & Place

RECOMMENDATION

1. The Cabinet Member is RECOMMENDED to

Delegate authority to the Corporate Director of Environment & Place in consultation with the Director of Finance and the Head of Legal Services & Deputy Monitoring Officer to approve the County Council awarding two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme.

Executive Summary

2. This report seeks to ensure that delegated authority is in place for the Corporate Director of Environment & Place to approve the County Council awarding two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme. The value of the detailed design and construction works is forecast to be £20m (exc VAT, actual costs incurred to date, staff costs and contingency/risk).

Background

3. The A34 Lodge Hill Interchange scheme will provide improved junction capacity and south-facing slips to the A34, which currently has north-facing slips only. The scheme was granted planning consent on 7 September 2023.
4. The scheme will comprise a “Dumb-bell” configuration (one bridge, two roundabouts) on a basic diamond layout in accordance with DMRB TD 22/06. This configuration optimises junction capacity along the A4138 and A34, whilst minimising land take.

5. As well as the reconfiguration of the interchange, a traffic-calming scheme north of the A34 Lodge Hill Interchange is to be provided along predominately Sugworth Lane and Bagley Wood Road.
6. A34 layby parking re-provision, and improvements are to be provided at two A34 existing layby locations. This is a result of the removal of existing facilities to provide the new slip roads. This was included in the scope of works in 2021 as a result of stakeholder engagement with National Highways and Thames Valley Police that indicated they would not accept the proposals on safety grounds if a net loss in layby parking occurs.
7. The Procurement Strategy for the A34 Lodge Hill Interchange scheme, which recommended the direct appointment of Balfour Beatty Group Limited for detailed design, ECI and construction/delivery works was fully signed-off on 6 October 2023. More specifically, the direct award of Balfour Beatty Group Limited was recommended/approved due to **a)** their involvement in the scheme over the past 5 years, **b)** their existing knowledge of the project (which is expected to deliver added value) and **c)** time savings.
8. The purpose of this report is to obtain a delegation to the Corporate Director of Environment & Place to approve the County Council awarding two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme. The value of the detailed design and construction works is forecast to be £20m (exc VAT, actual costs incurred to date, staff costs and contingency/risk).

Key Issues

9. It is essential that this decision is made so that the County Council can proceed to award two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme. The time-efficient appointment of Balfour Beatty Group Limited will ensure that the programme for detailed design and construction is not adversely affected.
10. The Planning Decision Notice associated with planning consent that was granted for the delivery of up to 900 dwellings, 50 retirement homes and other supporting/ancillary uses on land north of Dunmore Road and Twelve Acre Drive Abingdon (under ref P17/V0050/O) stipulates the following (Grampian condition) under planning condition 38:

No more than 400 dwellings shall be occupied until a contract for the construction works to provide the south facing A34 Lodge Hill slip roads has been awarded by the County Council

Condition reason: To ensure development at North Abingdon comes forward alongside delivery of the south facing Lodge Hill slip roads, to avoid development at North of Abingdon-on-Thames having a severe adverse impact on the local highway network (Core Policies 3, 4, 7, 8 of the adopted Local Plan and Saved Policy DC5 of the Local Plan 2011).

11. As of October 2023, it is understood that approximately 120 homes have been occupied across the housing sites that are impacted by the Grampian condition summarised in the foregoing. It is, however, understood that the 400 homes 'occupation' figure that is clearly set out under Condition 38 could be reached over the coming 12 months, meaning that it is imperative that the County Council awards two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme.

Financial Implications

12. There are no new budgetary implications, as the budget for the scheme has already been agreed by Cabinet.
13. There is a requirement to ensure that the Housing Growth Deal funding that has been allocated to the scheme is spent by the end of March 2025. Furthermore, the £17.33m of infrastructure grant funding that has been awarded to the scheme by Homes England (through the 'Brownfield. Infrastructure & Land' Fund) on 9 October 2023 is subject to the funding being spent by the end of March 2026. Any unnecessary delay in awarding two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme would result in loss of time in the programme, and would put pressure on the County Council's ability to spend the Housing Growth Deal and BIL funding within the specified timescales.

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

14. The County Council is able to access the Scape Civil Engineering and Infrastructure Framework, Lot 2 to commission design services and construction on the basis of the NEC4 Professional Services Contract (PSC) Option A and NEC4 Engineering Contract (ECC) Option C, including secondary Option X22. The conditions of these contracts are largely laid down in the Scape Framework Agreement subject to final agreement at the contract preparation stage in November 2023 with regard to selection of NEC option clauses and projects specific items such as levels of insurance and capping of liability. The County Council has experience of calling-off under this Scape Framework for another scheme.
15. This decision is required to enable the County Council to finalise and complete all relevant contractual documentation associated with awarding two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme.

16. The County Council will be delivering the A34 Lodge Hill Interchange Scheme in its capacity as the highway authority for Oxfordshire under the Highways Act 1980.

Comments checked by: Jayne Pringle, Principal Solicitor – Contracts and Conveyancing (Legal Services)

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Staff Implications

17. There are no staff implications.

Risk Management

18. If the Council does not award two contracts (NEC4 PSC Option A and NEC4 ECC Option C, including secondary Option X22) to Balfour Beatty Group Limited in respect of the design and build of the A34 Lodge Hill Interchange scheme as soon as practicably possible then this will put pressure on the County Council's ability to spend the Housing Growth Deal and BIL funding by the end of March 2025 and March 2026 respectively.

Bill Cotton, Corporate Director of Environment & Place

Annex:	Nil
Background papers:	Nil
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