

## Full Business Case (Stage 2 Commit to Construct)

<b>Project/Programme Name:</b>	Oxford: Frideswide Square area transport and public realm improvements
<b>Total Capital Budget:</b>	£5.478m, increasing to £5.842m.
<b>Divisions Affected:</b>	Jericho & Osney, Isis, University Parks, North Hinksey
<b>Purpose of this report:</b>	This report requests approval to contractually commit to construction the second phase of this project i.e. Main Works, and to allocate additional funding of £0.364m.
<b>Approval No:</b>	H316

### Sign-off & Approval

*In preparing this report input must be obtained from the following:*

Responsible Owner	Name	Date
Service Manager/ Client / Project Sponsor (Contributor)	Daniel Round (S&I) Marie Kanayan	02.12.2014 08.01.2015
<b>Delivery Team Representative / Project Lead (Author)</b>	Paul Gannon / Andy Warren	13-1-15
Service Finance Business Partner or Senior Financial Adviser (Contributor)	Rob Finlayson	13-1-15
The Capital Finance Team (Contributor)	Kathryn Goldsby-West	13-1-15
Other Contributors as applicable (e.g. developer funding, asset strategy)		

*Final approval as per the Financial Procedure Rules must be obtained from:*

Approval Level Required	Name	Date
Over £5m - Cabinet / On behalf of Cabinet (Leader of the Council)	Cabinet	27 January 2015

\* In the case of Highways & Transport or Property projects the relevant Service Manager and Deputy Director are those responsible for delivery.

## **1 Description & Objectives of the Proposal / Desired Outcomes & Business**

### **Benefits**

This scheme is part of the West End Area Action Plan (adopted 2008) and was part of Transform Oxford (launched in autumn 2008).

It is also part of the County Council's current draft city centre transport strategy, which has been updated in recent months to take account of proposals emerging for Oxford station, Oxpens and the Westgate centre, three of the largest development sites in the city.

The West End Area Action Plan supports the improvements in the Frideswide Square area, including the following schemes.

- The transformation of Frideswide Square will create an attractive, welcoming public space and improve its functions as major traffic junction.
- Improvements to the operation and appearance of Hythe Bridge Street and Park End Street are the main routes between the railway station and city centre.
- The conversion of Becket Street to two-way traffic and extension of Becket Street through the Oxpens site as part of the Oxpens development.
- The transformation of Oxpens Road will improve it for pedestrians and cyclists and reduce the separation of the Oxpens site from the rest of the city centre.

The scheme objectives are to

- Reduce delays in the square and on the approaches.
- Simplify the layout.
- Improve the public realm.
- Promote sustainable transport.

## **2 Updated Project/Programme Scope**

After a number of consultations and much work with stakeholders and partners in the West End, in March 2012 Cabinet approved a scheme for Frideswide Square for detailed design and implementation in 2013 at a cost of £3.700m.

Following the announcement in autumn 2012 of funding for major works at Oxford railway station, detailed design work on Frideswide Square was delayed to ensure the co-ordination with emerging proposals for the station.

In February 2014 a revised project to include additional road improvements required to maximise the benefits of the scheme was approved by the County Council, along with £1.778m additional funding.

The project is being delivered in two phases to provide additional temporary traffic management options for the works in the Square:

- Phase 1, Early Works (involving works at Becket Street, Osney Lane, Hollybush Row, Park End Street and Worcester Street).
- Phase 2, construction of the main Square works.

Construction of the “Early Works” phase began in September 2014 and is now completed in line with the construction programme and budget.

During August and September 2014, high level discussions were held with key stakeholders within the city and the county as well as external partners. The outcome of these discussions has led to the instruction to proceed with several alterations to the design of the landscaping in the Square, making it a more flexible space for public art and events. One additional element of the design that was put forward was the relocation of the Ox sculpture that currently sits along the west flank wall of the Said Business School. Additional items, which were not included in the initial pricing, were also included in the detailed design. These were a water feature, lighting of the water feature and feature bespoke stone plinths for public art exhibition. A revised design was presented to Cabinet in October 2014.

However, these changes have contributed to the estimated cost of the scheme increasing to approximately £0.855m more than the approved budget. Value engineering has been carried out and options for changes to scope were considered by Informal Cabinet in order to keep the cost of the scheme in line with the budget.

As a result the water fountain has not been included in the final scope of the scheme and level of the feature lighting and electrical items has been reduced. This will also avoid the significant revenue cost associated with the up-keep of the water fountain, estimated to be £15,000 per year.

### **3 Estimated Cost & Proposed Funding Plan**

The available budget of this project is £5.478m funded as follows:

OCC Flexible Corporate Capital Resources	£3.300m
Developer contributions (County held)	£1.300m
Developer contributions (City held)	£0.175m
City Council/ORPP(formally West End Partnership)	£0.703m

The estimated completion cost for the early works i.e. Phase 1 stands at £0.868m as per the previous business case approved in August 2014. This will be confirmed once all outstanding construction issues are resolved by March 2015.

Following the completion of detailed design, value engineering and finalisation of scope of the main works on Frideswide Square, the total cost of this project is now estimated at £5.842m. Additional funding of £0.364m is therefore requested. This is proposed to be funded from general capital programme contingencies.

It should be noted that SKANSKA’s target price for the scheme will be available by the 27th January 2015.

The budget includes £0.535k of contingency based on a costed risk register (appendix B).

Summary of capital budget requirement:

	Stage 2a £000s	Stage 2b £000s
A: Cost of feasibility and preliminary design (previously released at Stage 0b)	540	540
B1: Estimated cost of detailed design, procurement & enabling works (previously released at stage 1)	188	461
C: Estimated delivery / construction cost (requested to be committed at stage 2a)	868	868
<b>C: Estimated delivery / construction cost (requested to be committed at stage 2b)</b>	2,500	3,438
D: Contingency i.e. risk register with costs.	1,382	535
Total	5,478	5,842

### Revenue Implications & Value for Money

Elements of the scheme such as the feature lighting will require power outside of the street lighting electrical supply, therefore incurring an on-going revenue cost. This is unquantifiable at present as it is unknown how often the square will be made use of as a venue for functions.

To cater for these on-going costs, it is currently proposed that the revenue from using the space as a functional event area is used to offset any costs to the County or the City Councils. Discussions are underway between Oxford City and Oxfordshire County Councils to establish how best to jointly manage the Square after its completion and how the generated revenue will be shared over the years. This item still needs to be agreed and finalised – Oxford University will be consulted in this process as it owns some of the land in front of the Said Business School. This will be formalised in a legal agreement.

The use of high quality palette of materials, compatible with the Oxford City centre Street Scene manual has always been an integral aspect of the scheme to help deliver agreed public realm and regeneration benefits.

During the design process, the Oxfordshire County Council's Asset Management team have been involved for the main works in the selection of materials and all products; these have been evaluated on their durability and where possible be maintenance free.

It is recognised that some of the city-scape palette materials have a higher maintenance and replacement cost than standard material. However there are savings expected in running costs to offset this.

- In principle, there is cost saving as the area of carriageway surface in the proposed scheme has reduced by approximately 2,000m<sup>2</sup> against the current layout (the footway area has therefore increased by approximately that

amount) -the requirement for maintenance of carriageways is usually more frequent than for footways.

- The existing, comprehensive traffic signal system and associated equipment is to be removed from very early on in the construction period (i.e. February 2015) therefore removing the running and maintenance costs currently incurred.
- The proposed scheme will restrict the use of traffic signs and road markings to the approaches to the area therefore significantly reducing the number of such items within the Square to that which currently exist.
- The existing street lighting units are being replaced with new street lighting units that are to be LED. These generally have less power consumption and require less maintenance.
- The existing trees are to be replaced with new semi-mature trees that will be maintained as part of the project costs for the first 3 years of implementation. As these trees are semi-mature they will require less maintenance than younger trees. The grasses that are proposed as part of the landscaped areas require very little maintenance. It is also expected that as part of the agreement to manage the Square the landscape elements will fall under its general maintenance and up-keep.

#### **4 Project Delivery Timetable & Procurement Plan**

<b>Activity</b>	<b>Start Date</b>	<b>Finish Date</b>	<b>Milestone/decision point / gateways</b>
Detailed Design Early Works	March 2014	June 2014	Gateway 2A
Detail Design Main Works	March 2014	Oct 2014	Gateway 2B
Consultation Early Works	June 2014	July 2014	Approved
Consultation Main Works	Aug 2014	Sept 2014	Approved
Planning Application	N/A*		
Enabling Works (Early works)	September 2014	December 2014	Approval of stage 2 (A) BC, Gateway 3 (A)
Procurement (Main Works)	November 2014	January 2015	Approval of stage 2 (B) Business Case (BC), Gateway 3 (B)
Construction (Main works)	February 2015	December 2015	Gateway 4

\* A certificate of lawful use will be advertised prior to the main works element of the scheme in accordance with the Town and Country Planning Act. A permissive path agreement will be entered into with Oxford University and Said Business School, to allow the continuation of use of the land outside of the Business School for use by the public.

## **5 Risks, Constraints, Dependencies and Exclusions**

The table below highlights the key risks identifiable at this time for Phase 1 – The Early Works of the project. However these will be similar / identical for risk identified for the overall project. See appendix B for detailed costed risk register which includes an appropriate level of contingency.

The legal agreement between Oxford City Council and Oxfordshire County Council is yet to be completed to confirm Oxford City's contribution of £0.670m. If an acceptable agreement is not signed before construction commences, this will leave Oxfordshire County Council open to the risk of having to meet a further gap in the funding for the project.

Description of areas or sources of risk and impact on project	Mitigation	Owner
Budget - the project is not delivered within budget. Although utility investigations have been undertaken, this is a main utility corridor, and until works on site have commenced there is a risk of inaccurate utility records leading to new site diversions required. In addition, following the last Stage 2 (A) Business Case, the scheme has had additional items added.	Close liaison with key utility companies during the C3 and C4 stages. Undertake a value engineering exercise pre task order request stage.  The design team and the contractor will work closely on agreeing plant protection with utility companies to minimise costs.	Client / PM/ Skanska / Designer
Objectives - solutions that have been discussed with disability groups on their concerns require additional investigation post completion.	Works already completed suggests there are likely to be practical solutions to many concerns. Project team will continue to work with people with disabilities (particularly visually impaired pedestrians) and other experts to develop solutions. Post-implementation monitoring essential; part of project contingencies to be set aside for changes identified.	Design Team
Late delivery of utilities – C3 prices have been obtained and the project team are in discussion with utility companies at present. Programming these can be problematic which may lead to be undertaken during the actual works.	The project team have engaged with utility companies early, and will work closely with them to programme diversions works prior to construction. However, some of the diversions will involve road closures, and it may be beneficial to have these undertaken when the road is closed to proceed with the construction works.	PM

<p>Delivery of specialist materials - Yorkstone paving is being proposed for the scheme, this with the black basalt kerbs have a longer lead in time than would normally be expected, and may mean that the delivery takes longer than originally anticipated.</p>	<p>The project team have initiated an early order of materials for the works.</p>	<p>PM / Skanska</p>
<p>Land Ownership Issues - Land adjacent to the site is owned and maintained by others. Agreements to be reached regarding the use of this land as part of the scheme, and any maintenance agreements drawn up to resolve issues. In addition, internal OCC delay in the time it takes to get these agreements in place prior to construction.</p>	<p>Early contact has been made with Land owners regarding design and maintenance. Agreements to be sought to allow this land to be reconstructed so that it allows for the immediate improvements to the highway network. The Project team have opened up dialog with land owners and also have initiated task orders internally to allow for this work to commence through property and legal services.</p>	<p>Client / PM</p>

## **6 Communication & Consultation**

There have been several stages on consultations to-date. The overall layout of Frideswide Square was subject to public consultation and was approved by Cabinet in 2012. Following this there have been three further stages of formal consultation as well as stakeholders' consultation, as listed below.

- Early works Traffic Order Public Consultation – June & July 2014.
- Informal stakeholder engagement on layout and landscaping – June to August 2014.
- Main Works Traffic Order and Public Consultation – August & September 2014.

All these stages have now been approved.

A communications plan has been prepared in conjunction with the delivery team as part of the Early Contractor's Involvement to advise frontagers, key stakeholders and the wider road users travelling through the west end of the city of the programme of works. This plan, including dedicated webpage, has been implemented since September 2014 with updates issued regularly since.

We are currently in the process of estimating the cost of future communication actions for the entire duration of the construction of this scheme.

It is envisaged that one member of the site team yet to be appointed will also act in the role of public liaison officer, to manage the communication related to the progress of the works with the stakeholders in close partnership with Oxfordshire major schemes communications team.

## **7 Programme/ Project Governance**

The project is being managed by a project manager who is fully committed to delivering the project. He is being supported by the Project Sponsor and the project team compiled of OCC, Skanska and Atkins staff.

The programme for the delivery of the project sees commencement of construction works set in February 2015, with completion of the works by December 2015 i.e. before the Christmas period embargo.

Skanska have been appointed Principal Contractor to assist with the smooth transition from design to construction by providing Early Contractor's Involvement (ECI) and to support a value engineered delivery.

## **8 Supporting Documents**

Appendix A - External Funding Confirmations - *to be supplied*

Appendix B - Project Risk Register