

Divisions Affected – Abingdon North

DELEGATED DECISIONS BY CABINET MEMBER FOR INFRASTRUCTURE AND DEVELOPMENT STRATEGY

12 December 2024

A34 HARWELL LAYBY WORKS

Report by Director of Environment and Highways

RECOMMENDATION

The Cabinet Member is **RECOMMENDED** to:

- a) **Delegate authority to the Director of Environment & Highways in consultation with the Director of Finance and the Head of Legal Services & Deputy Monitoring Officer to approve the award of a works contract to Balfour Beatty Group Limited in respect of the construction / delivery of the A34 Harwell Layby (part of the wider A34 Lodge Hill Interchange scheme).**

Executive Summary

1. This report seeks approval for delegated authority to the Director of Environment & Highways to approve the award of a works contract to Balfour Beatty Group Limited in respect of the construction / delivery of the A34 Harwell Layby (part of the wider A34 Lodge Hill Interchange scheme) under the SCAPE Civil Engineering Framework.
2. The original intention was for A34 Harwell Layby works to be procured by National Highways, and for the works to be funded by Oxfordshire County Council (OCC) as part of the wider A34 Lodge Hill Interchange scheme. It is now necessary for OCC to construct / deliver the A34 Harwell Layby on behalf of National Highways to ensure that the works are delivered on time and to budget. Based on National Highways' existing panel of contractors' availability and agreed rates, National Highways have confirmed that they would not be able to deliver the A34 Harwell Layby works in accordance with the prevailing time, programme and cost parameters of this project. The County Council are, therefore, proposing to use the SCAPE Civil Engineering Framework as a compliant procurement route to market in order to deliver the A34 Harwell Layby construction works within budget and to programme.
3. This report is presented to the Cabinet Member for Infrastructure & Development Strategy on 12 December 2024 for a delegated decision to ensure that the overall scheme remains on programme and that the County Council complies with its obligations under the Grant Funding Agreement (GFA) that

was entered into with Homes England during February 2024, for the provision of £17.33m of infrastructure grant funding towards the scheme.

4. The updated programme that was submitted to Homes England on 20 November 2024 as part of a programme assurance review process requires Balfour Beatty Group Limited to submit a target cost for the A34 Harwell Layby works to the County Council by 31 January 2025, after which the County Council's project team will work with Homes England officers to satisfy all Gateway Review requirements ahead of an Affordable / Unaffordable Notice (re the target cost for the A34 Harwell Layby works) being issued to Homes England by 24 March 2025.
5. If the A34 Harwell Layby works do not commence in accordance with the project programme the County Council would be in default of the GFA, which could generate a risk to project funding. It is, therefore, necessary for the County Council to be able to award the works contract by the end of March 2025 so that the A34 Harwell Layby works can commence by 3 April 2025 (as has been reflected in the updated programme that was submitted to Homes England on 20 November 2024). As this capital expenditure would be a key decision, Cabinet Member's approval is necessary by 12 December 2024 in order to maintain programme and enable the County Council to award a contract to Balfour Beatty Group Limited, once the relevant matters set out in paragraph 14 of this report are finalised in respect of the award of contract for the construction / delivery the A34 Harwell Layby.
6. The value of the A34 Harwell Layby construction works will exceed £1m and, as such, approval to award a works contract to Balfour Beatty Group Limited in respect of the construction / delivery of the A34 Harwell Layby is, therefore, a key decision under the Council's constitution. The anticipated value of the A34 Harwell Layby works is in accordance with the approved budget.

Background

7. 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.
8. 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.
9. 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.
10. 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.

11. Balfour Beatty Group Limited are the County Council's appointed contractor for the detailed design, ECI and construction / delivery of the A34 Lodge Hill Interchange scheme. Activities associated with the A34 Lodge Hill Interchange scheme are being progressed in accordance with the programme, with technical approval in respect of the detailed design on-track to be obtained from National Highways on/before 3 February 2025. Similarly, activities associated with the A34 Harwell Layby works are currently progressing in accordance with the programme that has been agreed with Homes England, with technical approval in respect of the detailed design on-track to be obtained from National Highways on/before 3 February 2025.
12. The purpose of this report is to seek approval for delegated authority to the Director of Environment & Highways (in consultation with the Director of Finance and the Head of Legal Services & Deputy Monitoring Officer) to approve the award of a works contract to Balfour Beatty Group Limited in respect of the construction / delivery of the A34 Harwell Layby (part of the wider A34 Lodge Hill Interchange scheme). It is considered, and therefore recommended, that Balfour Beatty Group Limited are best placed to construct / deliver the A34 Harwell Layby because:
 - a) They have extensive knowledge and understanding of the whole scheme (A34 Main Interchange and A34 Harwell Layby), the overall programme and all work requirements having been involved in the A34 Lodge Hill Main Interchange Scheme over the past 5 years
 - b) Their existing appointment to construct / deliver the A34 Main Interchange Works will enable the A34 Harwell Layby works to commence on time as they are already on site, provide added value in terms of driving cost efficiencies and time savings, and therefore enable the County Council to deliver the works within budget and to programme

Key Issues

13. Prior to an award of contract for the construction of the A34 Harwell Layby works, the County Council will address the following:
 - 13.1)** Finalise requisite amendments to the existing funding agreement between the County Council and National Highways to reflect the fact that the County Council will now be constructing / delivering the A34 Harwell Layby works. Changes to the funding agreement are on-track to be concluded during December 2024 and, in doing so, eliminate any fiscal-related risks.
 - 13.2)** Finalise the structure and content of the Section 6 agreement that is to be entered into between the County Council and National Highways (in its capacity as highways authority to enable the Council to undertake the A34 Harwell Layby

construction works on behalf of National Highways). The Section 6 agreement is on-track to be concluded during December 2024.

13.3) Finalise the contract price for the A34 Harwell Layby works (and the A34 Main Interchange Works). Balfour Beatty Group Limited's final construction price is on-track to be submitted to the County Council by the end of January 2025. The target price for the construction works will be subject to separate assessment and approval processes to be undertaken by the County Council and Homes England in advance of a 'notice to proceed' (in respect of the construction works across the entire scheme) being issued to Balfour Beatty Group Limited to construct / deliver the A34 Harwell Layby works (and the A34 Main Interchange Works).

13.4) Finalise the necessary arrangements between National Highways and the County Council; National Highways procured and completed the design work in respect of the A34 Harwell Layby works and, as such, is responsible for the designs. As the County Council will now be undertaking the construction works based on the designs completed by WSP on behalf of National Highways, the County Council will seek appropriate indemnities and/or warranties and/or undertakings from National Highways in respect of their completed designs before entering a contract with Balfour Beatty Group Limited to construct / deliver the A34 Harwell Layby works. If necessary, the County Council will also make appropriate arrangements to appoint WSP (as National Highways' design consultant) for continued technical advice and support to the County Council during the construction period for the A34 Harwell Layby works.

14. It is essential that a decision on this report is made so that the County Council can proceed to finalise the above matters in respect of the contract (for the construction / delivery of the A34 Harwell Layby) and be in a position to award a contract /appoint Balfour Beatty Group Limited in a time-efficient manner to ensure that the programme for constructing the A34 Harwell Layby is not adversely affected and that the County Council's obligations under the GFA with Homes England can be met.

Financial Implications

15. There are no new budgetary implications, as the budget for the scheme has already been agreed by Cabinet. This position was also previously captured in the Cabinet Member Decision (CMD) report that informed the Delegated Decisions by Cabinet Member for Infrastructure & Development Strategy meeting that was held on 16 November 2023. Here is a [link](#) to the agenda and decisions that relate to the aforementioned meeting.

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

16. This report seeks approval for delegated authority to the Director of Environment & Highways (in consultation with the Director of Finance and the

Head of Legal Services & Deputy Monitoring Officer) to approve the award of a works contract to Balfour Beatty Group Limited under the SCAPE Civil Engineering Framework in respect of the construction / delivery of the A34 Harwell Layby (which forms part of the wider A34 Lodge Hill Interchange scheme).

17. The anticipated value of the works will exceed £1m in capital expenditure and therefore this decision is a Key Decision. In accordance with Part 1.3 of the Constitution (Rule 3(b)) a key decision must be made after consultation with the relevant Cabinet Member(s) and the Section 151 Officer.
18. Subject to matters set out in paragraph 14 of this report, the report proposes to award a contract via the SCAPE Civil Engineering Framework. The County Council can access the said framework and details of the particulars of the contract (such as the relevant NEC Option clauses, Insurance levels, Liability Caps, etc) will be set out in the final terms and conditions of the call-off contract when presenting the report seeking approval for contract award (note: the general terms and conditions of the call-off contract are already set out in the Scape Civil Engineering Framework agreement and are non-negotiable).
19. Paragraph 14 of this report sets out the matters to be addressed prior to the County Council making a decision to award a contract (under the delegation authority sought under this report) and the outcome of such matters will be presented to the Director of Environment & Highways when considering a decision to approve an award of a contract for the construction / delivery of the A34 Harwell Layby.
20. The County Council will be delivering the A34 Harwell Layby on behalf of National Highways (as will be captured within a Section 6 agreement) and under its capacity as the highway authority for Oxfordshire under the Highways Act 1980.

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Staff Implications

21. There are no staff implications.

Risk Management

22. If the Council does not award a contract in respect of the construction / delivery of the A34 Harwell Layby as soon as practicably possible then this will put pressure on the County Council's ability to deliver (and open) the overall A34

Lodge Hill Interchange scheme (which includes the A34 Harwell Layby) during July 2026.

23. Failure to deliver the works within programme could result in the County Council not complying with its obligations under the GFA with Homes England which could, in turn, result in risks to the project funding.
24. Paragraph 13 of this report sets out the arrangements that are to be in place between the County Council and National Highways and the matters to be addressed by the County Council to mitigate any design liability/risks the County Council could otherwise inherit in constructing / delivering the A34 Harwell Layby works in accordance with the designs completed by WSP on behalf of National Highways. Importantly, all requisite arrangements will be in place before a contract is awarded to Balfour Beatty Group Limited in respect of the construction / delivery of the A34 Harwell Layby and, in doing, so limit any potential risks to the County Council.

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