

REPORT OF THE STRATEGIC DIRECTOR PLACE

TO THE CITY MAYOR
AT PROPERTY & REGENERATION BOARD FOR DECISION

ON

22nd February 2021

CITY CENTRE SALFORD
'CHAPEL STREET EAST PHASE 1'

GM MAYOR'S CHALLENGE FUND FOR WALKING & CYCLING (MCF)

RECOMMENDATIONS:

That City Mayor approves:

- a. Proposals for the Chapel Street East Phase 1 Mayor's Challenge Fund scheme. The details of which can be found in Section 2 and as shown on the latest General Arrangement drawing in Appendix 1;
 - b. The proposed allocation of Section 106 contributions totalling £305,720 and local third-party contributions totalling £190,000 as Council match funding towards the Chapel Street East Phase 1 scheme;
 - c. That the scheme should be procured in accordance with the Council's Contractual Standing Orders through an existing Framework using the proposed procurement route set out in this report;
 - d. The delegation of authority to the Strategic Director Place, in consultation with the S151 officer, to submit the Full Business Case (FBC) to the Greater Manchester Combined Authority (GMCA) for review; and
 - e. The delegation of authority to the Strategic Director Place, in consultation with the S151 officer, to draft and approve the Grant Funding Agreement (GFA) between Salford City Council, Transport for Greater Manchester (TfGM) and the GMCA.
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EXECUTIVE SUMMARY:

A Tranche 1 funding submission was made to the Mayor's Challenge Fund (MCF) to develop proposals for a walking and cycling route on Chapel Street, between New Bailey Street and Blackfriars Street. In July 2018, Chapel Street East Phase 1 gained programme entry to the MCF which resulted in the award of project development funding to progress the design and business case.

The purpose of this report is to seek approval from the City Mayor for the updated proposals for the scheme and for the scheme to be procured in accordance with the Council's Contractual Standing Orders through an existing Framework using the proposed procurement route set out in this report.

The report also seeks authority from the City Mayor for the proposed allocation of specific Section 106 contributions already received totalling £305,720 and local third-party contributions totalling £190,000 as Council match funding towards the MCF funded scheme. Further details of the current position regarding specific S106 contributions for city centre MCF schemes can also be found in the Property & Regeneration Board public agenda item of 22nd February for the 'Active Centres, Corridors & Neighbourhoods Project'.

Approval from the City Mayor is also sought for:

- Submission of the Full Business Case, in consultation with the S151 officer, to the Greater Manchester Combined Authority (GMCA) for review once the tender process has completed; and
- The drafting and approval of the Grant Funding Agreement (GFA) between Salford City Council, Transport for Greater Manchester (TfGM) and the GMCA. This is to be completed following the outcomes of the business case review by GMCA.

Prior to this briefing, this report was presented to the Lead Member for Planning & Sustainable development on 12th January 2021. The scheme, and proposed approach for progressing the scheme, were supported at the meeting and it was agreed that the report could be taken forward to City Mayor for briefing and then decision. The scheme was presented to the City Mayor at Property & Regeneration Board for briefing on 8th February 2021 with agreement that the scheme should be presented at Property & Regeneration Board for decision on 22nd February 2021.

BACKGROUND DOCUMENTS:

- Salford City Council websites' Mayor's Cycling and Walking Challenge Fund home page: <https://www.salford.gov.uk/parking-roads-and-travel/cycling-and-walking/mayor-s-cycling-and-walking-challenge-fund/>.

- Chapel Street East Phase 1 Progress Update and Public Consultation. Briefing report of Head of Highways and Infrastructure to Lead Member for Planning & Sustainable Development (18th June 2019).
- Lead Member for Planning and Sustainable Development briefing 12th January 2021. City Centre Salford 'Chapel Street East Phase 1' GM Mayor's Challenge Fund For Walking & Cycling (MCF).
- Lead Member for Planning and Sustainable Development briefing 12th January 2021. City Centre Salford 'Active Centres, Corridors & Neighbourhoods Project'. GM Mayors' Challenge Fund for Walking & Cycling (MCF). Section 106 match funding contributions.
- Appendix 2: City Centre Salford 'Active Centres, Corridors & Neighbourhoods Project'. Tranche 5 Funding Submission to the Greater Manchester Mayor's Cycling & Walking Challenge Fund. 5th April 2019.

KEY DECISION: Yes

DETAILS:

1. Introduction and Background

Chapel Street, one of Salford's oldest streets, is the key corridor connecting the University of Salford and the Crescent to the west, and Greengate to the east. It is an important element of the transport network and central component and driver of regeneration in the area.

Chapel Street plays an important role in both serving local access and supporting connectivity into and out of the city centre. This includes its role as a public transport corridor and as a corridor in the walking and cycle network as identified through the development of Salford's Local Cycling and Walking Infrastructure Plan (LCWIP). Chapel Street was subsequently identified as a key link in the Bee Network and is central to the ambitions for sustainable connectivity in city centre Salford.

In May 2018, it was announced that between 2018 and 2022, £160m of funding would be made available from the Transforming Cities Fund to encourage more people to cycle and walk more often in Greater Manchester. Through the Mayor's Challenge Fund (MCF) Chapel Street East Phase 1 gained programme entry in July 2018 with a successful Tranche 1 application.

The location of the Chapel Street East Phase 1 scheme, and its place within plans for a fully integrated walking and cycling network, is highlighted in the City Centre Salford 'Active Centres, Corridors & Neighbourhoods Project' document in Appendix 2. This

was produced in support of a Tranche 5 bid to the MCF and illustrates the scheme's potential to provide an early phase of plans to completely transform the Chapel Street corridor.

Preliminary design work was undertaken to support the public consultation for the scheme in Summer 2019. Feedback from consultation and further investigation of site conditions has informed the detailed design process which is due to complete in February 2021.

As an interim measure, implemented as part of the DfT's Emergency Active Travel Fund Tranche 1 programme, cycle lanes with light segregation features (cycle lane delineators and reflective bollards) have been installed to separate cyclists from general traffic and to improve safety along a stretch of Chapel Street between Trinity Way and Victoria Bridge Street.

A further scheme, Chapel Street East Phase 2, has also been successful in gaining programme entry through Tranche 5 of the MCF programme. If successful in gaining full funding this would support further improvements along the Chapel Street corridor.

2. Project Details

Chapel Street East Phase 1 looks to transform a section of Chapel Street on the Bee Network between New Bailey Street and Blackfriars Street. It is designed to reduce the dominance of general traffic and provide direct and safe routes for pedestrians and cyclists accessing the city centre through provision of new cycle facilities and enhanced crossing provision. Public realm improvements are also proposed which will support the wider regeneration of central Salford and provide an attractive gateway into the city centre.

The original concept design identified that there was sufficient width along the corridor to maintain the existing motor vehicle lanes to a minimum lane width and also provide facilities for pedestrians and cyclists. Reflecting the high profile and busy city centre location, and the requirements of MCF funding, a high-quality specification has been chosen.

The scheme uses a 'complete streets' approach to rebalance the space in favour of pedestrians and cyclists whilst catering for buses, general traffic and loading. The proposals include:

- continuous cycle tracks and footways giving pedestrians and cyclists clear priority over side roads;
- improved crossing points;
- high quality public realm; and
- landscaping and sustainable urban drainage systems (SuDS).

A copy of the General Arrangement drawing can be found in Appendix 1. The project once completed will:

- Establish high quality walking and cycle links on a key section of the city centre and Bee Network as evidenced through network planning and stakeholder engagement carried out for Salford's LCWIP;

- Address severance and barriers to walking and cycling that may currently discourage travel by active modes and enable mode shift from private car;
- Embed sustainable city centre infrastructure that complements emerging plans for the city centre that hope to achieve a stronger role for walking and cycling;
- Complement the regeneration and long-term economic growth opportunities for Chapel Street and City Centre Salford both through connectivity and place making;
- Improving quality of life through promotion of sustainable, healthy and connected communities where sustainable travel provides the mode of choice for local trips and access to public transport; and
- Enhancing the environment both through a greener and more attractive street scene and through supporting cleaner air through mode transfer.

The inclusion of continuous footways at side roads is an integral part of the Chapel Street East Phase 1 Mayor's Challenge Fund scheme. Following an internal design workshop (November 2019), it was agreed that as a result of the potential long-term maintenance implications, alternative options to natural stone paving should be considered at side roads. A number of options were reviewed and an imprinted asphalt solution was identified as the preferred approach.

A further change since the original consultation is the proposed stopping up of Bury Street at its junction with Chapel Street, subject to completion of road safety assessment, consultation and detailed design. The revised layout at Bury Street replaces the previous proposal for a continuous footway approach with the creation of an extended area of public realm adjacent to Sacred Trinity Church. The stopping up will also support reductions in rat running via Bury Street and reduce delays caused by vehicles turning onto Chapel Street from Bury Street.

3. Consultation

The Lead Member for Planning & Sustainable Development and the Executive Support Member for Transport were briefed on the proposals prior to consultation. The Local Councillors for Ordsall Ward were also consulted on the proposals in advance of the consultation period.

Salford City Council worked with Transport for Greater Manchester (TfGM) to deliver a three-week consultation on the proposed scheme, which ran from 20th June to the 11th July 2019. The consultation process took the following form:

- A public consultation event at Sacred Trinity Church on Chapel Street including use of a virtual reality bike;
- Circulation of a consultation leaflet to residents and businesses in the area affected by the scheme;
- Consultation with local ward members;
- Promotion through Salford City Council and Transport for Greater Manchester's websites;
- Discussions with local businesses and stakeholders; and
- Engagement with disability groups including production of tactile (textured) drawings.

The majority of responses received during the consultation period have been positive and supportive of the proposals. A summary of the consultation responses is included in Appendix 3.

4. Estimated Project Costs

The estimated total cost for the project is £4.8m. This includes £0.43m for project development costs, and £4.4m (latest estimate) for the delivery of the scheme. This includes construction costs, management cost, scheme promotion and allowances for risk.

5. Procurement Route

The recommended procurement route for the main works contract is the existing Bolton Council Highways Framework Contract 2019/2023 (Option B).

The Bolton Framework has successfully delivered a number of schemes of a similar scale/nature to Chapel Street East Phase 1 over the course of its lifespan and this successful track record, potential for achieving value for money and the nature of the works being proposed are the reasons the Bolton Framework is recommended.

6. Funding

In July 2018, the Council was advised that it’s submission for Chapel Street East Phase 1 scheme had been successful and that it had been awarded project development funding to progress the design and business case.

In the Tranche 1 bid the Council sought £3,838,911 with a match funding contribution of £495,720 towards the project. The latest cost estimate for the scheme is £4.8m. As a result, the revised funding submission to the MCF programme is currently forecast to be £4.3m. The proposed amount of Match Funding that has been secured and in turn the amount of MCF funding being sought will be confirmed in the procurement board report that will be taken to appoint the successful main works contractor. However, a breakdown of the proposed funding sources is summarised in the following table followed by further detail on the proposed approach to securing the funding for the scheme.

Funding Source	£
MCF	4,302,664.66
Local - Third Party (ECF (NBG) Phase 2)	190,000.00
Local - S106 contributions	305,720.00
Total	4,798,384.66

Mayor's Challenge Fund (MCF)

The scheme will be seeking a proportion of the required funding from the MCF. In order to access this funding stream, a requirement is to submit a Full Business Case (FBC) to the Greater Manchester Combined Authority (GMCA) for review.

A draft business case was submitted in December 2019. The FBC is currently in the process of being finalised in close collaboration with Transport for Greater Manchester (TfGM) and specialist suppliers.

The FBC is expected to be submitted to GMCA in May 2021 once the Tender process has been completed and the highest scoring tender has been identified.

Local Match Funding

Prior to making the MCF funding submission, discussions had taken place with the Councils S106 and Finance officers to agree a reasonable approach to match funding for the scheme.

At programme entry, suitable match funding towards the project was identified from within the City Councils S106 receipts and through contributions agreed with third parties. A total of £495,720 of local match was identified at programme entry which included contributions relating to the following:

- Local S106 contributions for Trinity Riverside (Select Property): £55,720;
- Local S106 contributions from the Chapel Wharf development: £250,000;
- Local third-party contributions to be provided by English Cities Fund (ECf) associated with New Bailey Gateway Phase 2: £190,000;

Work is currently underway to secure S106 funds for the scheme that were identified at programme entry in consultation with Ward Councillors and Salford City Council officers. Further details of the current position regarding specific S106 contributions for city centre MCF schemes can also be found in the Property & Regeneration public agenda item of 22nd February for the 'Active Centres, Corridors & Neighbourhoods Project'.

Third-party contributions - New Bailey Gateway Phase 2:

The New Bailey commercial quarter is supporting the westward expansion of the city centre Central Business District over the River Irwell and into Salford. The first phase of development by English Cities Fund (ECf) is complete with further phases of development underway or planned. ECf recognise the importance of delivering the improvements to New Bailey Street area and have approved in principle match funding of £880k towards New Bailey gateway Improvements.

An initial phase of funding was secured for a phase 1 scheme which has delivered public realm improvements on New Bailey Street. As part of discussions in support of the Tranche 1 bid, agreement in principal was also reached for a contribution from this match funding to go towards Chapel Street East Phase 1 (£190,000).

Work is currently underway to secure this funding through discussions with ECf.

7. Funding Agreement

As part of the MCF process for FBC, Salford City Council must enter into a legally binding Grant Funding Agreement (GFA). This forms a financial contract between Salford, TfGM and GMCA.

Delegated authority is sought from the City Mayor, for the Strategic Director Place in consultation with the S151 officer, to draft and approve the Grant Funding Agreement (GFA) between Salford City Council, TfGM and the Greater Manchester Combined Authority.

8. Programme

The forecasted key project milestones for the scheme are detailed in the table below:

Chapel Street East Phase 1 – Key Milestones	Completion (Forecasted)
Detailed Design	February 2021
Procurement	April 2021
Business Case Submission	May 2021
Business Case Approval	July 2021
Construction Starts	August 2021
Construction Finishes	February 2022

9. Next Steps

That the City Mayor approves the details of this report including: updates to the scheme design; the allocation of specific Section 106 contributions and local third-party contributions totalling £495,720 as Council match funding; and for the scheme to be procured in accordance with the Council's Contractual Standing Orders through an existing Framework using the proposed procurement route set out in this report.

If the scheme and proposed way forward is approved by the City Mayor the scheme will progress with the procurement process upon completion of detailed design. The outcomes of procurement will inform the completion and submission of the Full Business Case, in consultation with the S151 officer, to the Greater Manchester Combined Authority (GMCA) for review, and the drafting and approval of the Grant Funding Agreement (GFA) between Salford City Council, Transport for Greater Manchester (TfGM) and the GMCA.

KEY COUNCIL POLICIES:

- Salford City Council Unitary Development Plan 2004-16 (2006);
 - Planning Obligations Supplementary Planning Document (2007);
 - Planning Obligations Supplementary Planning Document (2015);
 - Planning Obligations Supplementary Planning Document (2019); and
 - “Salford 2025 – A Modern Global City”.
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EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

The scheme will contribute to improving accessibility for all through the establishment of safe and attractive routes for pedestrians and cyclists. This will support greater equality through promoting affordable transport options that support access to employment and public transport (through improved access to Salford Central Station).

A Community Impact Assessment (CIA) has been produced for the Chapel Street East Phase 1 Scheme. The CIA is to assess the impact of the scheme on local communities and identify areas for further consideration in the development and delivery of the scheme.

Contribution to Social Value will also be considered as an element within the assessment of tender options. Tenderers will be asked to describe what Social Value will be delivered during the implementation of this project and to demonstrate how they will develop, monitor and report upon Social Value. This is expected to include, but not limited to, consideration of the following:

- Details of any traineeships, apprenticeships, work experience placements and employment of local labour on this contract;
 - Details of any commitments to pay the Salford Living Wage;
 - Details of any local companies to be employed as sub-contractors or local suppliers to be utilised in delivering this contract;
 - Details of any planned engagement with local secondary schools around curriculum and careers development;
 - Details of any proposed donations or in-kind contributions to local community and user groups; and
 - Details of any proposed corporate volunteering days.
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ASSESSMENT OF RISK: Medium

The following key project risks have been identified: -

1. A tendered cost for the scheme is required when submitting a Full Business Case (FBC). Without an FBC approval grant funding will not be approved for construction of the scheme.

2. Subject to the submission/approval of business cases, scheme delivery funding will be awarded on the basis that the Council is able to make a match funding contribution of £495,720. A significant proportion of this (£305,720) has been identified to come from already received S106 contributions with a further £190,000 expected to come from local third-party match funding. Should the contribution from S106 allocations and local match not be agreed within the Council, this would leave a shortfall which would need to be met from elsewhere in Council budgets. The other alternatives for the council would be to not proceed with delivering the scheme.
3. The local match funding of £190,000 has been agreed in principle with English Cities Fund with discussions underway to secure this funding. If the match funding is not agreed or reduces this could leave a shortfall in the Councils match funding resource, which would need to be met from elsewhere in Council resources.
4. The Statutory Undertakers Budget Estimate (C3) Fees and Diversion costs are c. £1.5m. An additional allowance of £300k has been made following a quantitative risk assessment for general statutory undertaker issues and unforeseen statutory undertakers to reflect the site-specific conditions. The detailed costs, full scope and timescales of potential diversions are currently unknown. However, C4 detailed specifications and costs have been requested and are in the process of being returned.

LEGAL IMPLICATIONS Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323. Date: 23.11.20

When commissioning contracts for the procurement of goods, services or the execution of works, the Council must comply with the Public Contracts Regulations 2015 (PCR) and its own Contractual Standing Orders (CSOs), failing which a contract may be subject to legal challenge from an aggrieved provider. CSO's stipulate that where a suitable framework exists, this must be used unless there is an auditable reason not to do so.

The proposed procurement of the works will be by way of a tender exercise in accordance with the process set out in the Bolton Council Highways Framework Contract 2019/2023 (Option B), which itself was procured in accordance with the PCR using an OJEU process, and will therefore ensure that the risk of challenge to the award of any contract is minimal and that any challenge, should it materialise, is extremely unlikely to be successful.

The purpose of a framework agreement is to select through a procurement / evaluation process, a number of providers who can meet the service requirements of the Council, as and when those services are required. If they are required then the Council will undertake an exercise to call off the services from one or more of the providers who have been selected to be on the framework and this may be through any number of

ways, in this instance by way of mini competition. A contract will then be formed between the Council and the chosen provider(s). The Council will need to have followed the procedure set out in the framework agreement for mini competition to ensure the procurement process is compliant.

The report refers to funding for the works coming from s106 funds. The expenditure must be in accordance with the terms of the relevant planning obligations. Should the Council allocate S106 funding outside of the conditions within the agreements, or outside the timescales, or in breach of applicable Regulations, a developer may challenge that decision and claim back contributions.

Legal shall be happy to advise on the grant funding agreement between the Council, TfGM and GMCA to ensure the Council's interests are protected. The terms of any grant funding agreement will need to be adhered to in the event that there are clawback provisions for failure to comply.

FINANCIAL IMPLICATIONS Supplied by: Natalie Birchall Finance Officer L2 Ext 2316. Date: 25th November 2020.

Confirmation the budget is available to go out to tender.

The Chapel Street East Phase 1 scheme, as proposed in this report, has a current estimated cost of £4.8m of which the estimated cost of implementing the scheme is £4.4m. The scheme received MCF programme entry approval in July 2018 and the proposals outlined in this report will facilitate full business case development and approval by GMCA, to secure the access to the Mayor's Challenge Funding.

At programme entry, suitable match funding towards the project was identified from within the City Councils S106 receipts and through contributions agreed with third parties associated with neighbouring development. A total of £495,720 of local match was confirmed and the following receipts have been received and approval is to be sought to ring fence for scheme delivery.

- Local S106 contributions for Trinity Riverside (Select Property): £55,720;
- Local S106 contributions from the Chapel Wharf development: £250,000;

Work is currently underway to secure S106 funds for the scheme that were identified at programme entry in consultation with Ward Councillors and Salford City Council Officers. This has included a briefing to Lead Member for Planning and Sustainable Development on the 12th January, Property & Regeneration briefing on 8th February 2021 & will include presentation at the City Mayor Property & Regeneration meeting for decision on the 22nd February 2021.

In agreement with GMCA, as the scheme has received programme entry approval SCC is able to claim scheme development costs in advance of FBC approval which is expected in July 2021. In accordance with MCF rules, SCC will cash flow the project and reclaim from TFGM via quarterly claims. As part of the MCF process for Full Business Case, Salford City Council must enter into a legally binding Grant Funding Agreement (GFA). This forms a financial contract between Salford, TfGM and GMCA.

The council will look to match fund the scheme from S106 contributions. Following FBC approval to be submitted to GMCA in May 2021, further approvals and a procurement board report will be required to award a contract to the successful contractor and include confirmations of secured match funding.

PROCUREMENT IMPLICATIONS Supplied by: Supplied by: Heather Stanton – Category Manager ext. 6241. Date: 2nd December 2020

The Bolton Council Highways Framework Contract 2019/2023 has been procured compliantly in line with OJEU and Public Contract Regulations 2015. In accordance with Contractual Standing Orders the procurement team will support the technical team to undertake a complaint mini competition through this framework in line with the framework agreement.

HR IMPLICATIONS Supplied by: N/A

CLIMATE CHANGE IMPLICATIONS Supplied by: N/A

The scheme and the development of the Bee Network in city centre Salford will support mode shift from private car to walking and cycling. One of the schemes central objectives is increasing walking and cycling. More sustainable travel choices will help to reduce transport related emissions.

It is expected that tenderers will also be asked to provide details of any specific environmental sustainability practices / measures to be employed on this contract.

Climate change implications are also considered through the planning application process, and where relevant appropriate mitigation will be identified through planning conditions and/or planning obligations. The Section 106 contribution(s) can only be used towards specific mitigation in accordance with the respective Section 106 agreement.

OTHER DIRECTORATES CONSULTED: N/A

CONTACT OFFICER: Simon Telford TEL NO: 07799677214

WARDS TO WHICH REPORT RELATES: Ordsall

Appendix 1: General Arrangement Drawing

Appendix 2: City Centre Salford 'Active Centres, Corridors & Neighbourhoods Project' (see item 3(a))

Appendix 3: Consultation Results

Public Consultation

A consultation feedback sheet was produced for the June/July 2019 consultation event providing visitors to the consultation the opportunity to formally respond to the proposals. 44 people attended the consultation event and of those 16 filled in a feedback sheet.

Response Type	Count	Percent [%]
Support	15	94.00
Do not support	0	0.00
Can't decide	1	6.00
SUM	16	100.00

Email Responses

74 email responses were received to the consultation, although 1 response was a follow up email from a respondent who wanted to ascertain whether his email had been received.

The email responses were reviewed and based on the content placed into 3 categories, 'support', 'do not support' and 'unclear'.

Response Type	Count	Percent [%]
Support	53	72.00
Do not support	9	12.00
Unclear	12	16.00
SUM	74	100.00

Post Responses

No post responses were received.

Phone Responses

3 phone responses were received. 2 of the messages did not relate to the scheme being consulted. The 1 other message received was in favour of the proposed scheme.

The majority of responses received during the consultation period have been positive and supportive of the proposals.

Further consultation with disability groups has been carried out by the client team including the following:

- Presentation to SCC Access All Areas Forum 23rd August 2019;
- Further engagement with the RNIB;
- An inclusivity workshop with Unlimited Potential 26th September; and
- Presentation to DDRG 3rd October 2019.