

Part 1: Open to the public

---

REPORT OF  
The Strategic Director for Place  
TO  
Procurement Board  
ON  
3<sup>rd</sup> March 2021

---

TITLE: Approval to go out to competition for Chapel Street East Phase 1 Mayor's Challenge Fund scheme.

---

RECOMMENDATION:

That Procurement Board grant authority for the Chapel Street East Phase 1 scheme to be procured in accordance with the Council's Contract Procedure Rules through an *existing Framework*.

---

EXECUTIVE SUMMARY:

The purpose of this report is to request approval to go out competition for the delivery of the abovementioned scheme.

---

BACKGROUND DOCUMENTS: None

---

KEY DECISION: No

---

DETAILS:

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. 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.

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 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 costs, scheme promotion and allowances for risk. A large proportion of the funding for the scheme will come from MCF grant following the submission of a business case to the MCF fund. The City Council will look to match fund a proportion of the overall required funding with applicable Section 106 funds and local third-party contributions.

The next stage of the project requires the scheme to be tendered for a price. This will allow the selection of a preferred supplier and update of the scheme costs, both of which are required for the submission of the Full Business Case (FBC). Without the approval of the FBC, funding can not be awarded to the scheme.

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.

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

<b>Chapel Street East Phase 1 – Key Milestones</b>	<b>Completion (Forecasted)</b>
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

---

#### 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”.
- 

## 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.
- 

## ASSESSMENT OF RISK: Medium

The following key project risk has been identified if the scheme does not go out to Tender:

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.
-

## SOURCE OF FUNDING:

Three sources of funding have been identified: Mayor's Challenge Fund (Grant Funding); S106 funding; and a Local Contribution.

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.

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

See financial comments below.

---

LEGAL IMPLICATIONS: Supplied by: Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323. Date: 15.02.21

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: 17.02.21

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 12<sup>th</sup> January, Property & Regeneration briefing on 8<sup>th</sup> February 2021 & will include presentation at the City Mayor Property & Regeneration meeting for decision on the 22<sup>nd</sup> 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: Heather Stanton – Category Manager ext. 6241. Date: 17.02.2021

---

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  
TELEPHONE NUMBER: 07799677214

---

WARD(S) TO WHICH REPORT RELATE(S): Ordsall

---