

## REPORT OF THE STRATEGIC DIRECTOR PLACE

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### TO THE CITY MAYOR AT PROPERTY & REGENERATION BRIEFING

ON

12<sup>th</sup> April 2021

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#### CITY CENTRE SALFORD 'GORE STREET CONNECTION'

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

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#### RECOMMENDATIONS:

That City Mayor approves:

- a. The updated proposals for the Gore Street Connection Mayor's Challenge Fund scheme. The details of which can be found in Section 2 and as shown on the General Arrangement drawing in Appendix 1;
  - b. The proposed allocation of £195,000 reallocated pinch point funding as Council match funding towards the Gore Street Connection 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 (as approved at 3<sup>rd</sup> June 2020 Procurement Board).
  - 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:

On 29 March 2018 Greater Manchester Combined Authority agreed to allocate £160 million to a Mayor's Cycling and Walking Challenge Fund (MCF). Gore Street Connection is one of eight schemes that received Tranche 5 programme entry status, in June 2019, as part of a package of city centre schemes to help develop a comprehensive network of walking and cycling routes.

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 £195,000 reallocated pinch point funding as Council match funding towards the scheme.

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 at Lead Member for Planning & Sustainable Development Briefing on 9th March 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 22<sup>nd</sup> March 2021 with agreement that the scheme should be presented at Property & Regeneration Board for decision on 12<sup>th</sup> April 2021.

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## 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/>.
- Report of the Strategic Director for Place to Procurement Board on 3rd June 2020. Approval to go out to competition for the Gore Street Connection Mayors Challenge Fund scheme.

- Minutes from Procurement Board meeting held via MS Teams. 3 June 2020.
  - Lead Member for Planning and Sustainable Development briefing 9th March 2021. City Centre Salford 'Gore Street Connection'.
  - Appendix 3: 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.
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**KEY DECISION:** Yes

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## **DETAILS:**

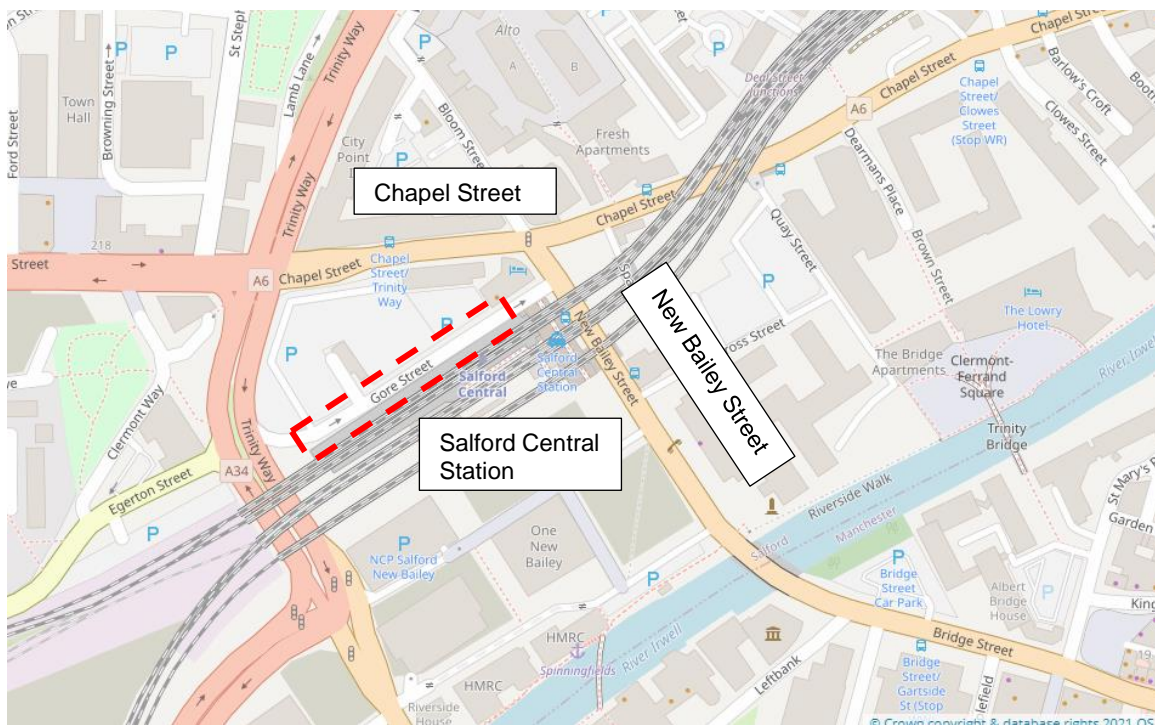
### **1. Introduction and Background**

On 29 March 2018 Greater Manchester Combined Authority agreed to allocate £160 million to a Mayor's Cycling and Walking Challenge Fund (MCF). Gore Street Connection is one of eight schemes that received Tranche 5 programme entry status, in June 2019, to develop the scheme to full business case stage. The scheme is part of a package of city centre schemes which, once complete, will establish a comprehensive network of walking and cycling routes. An overview of the City Centre Salford 'Active Centres, Corridors & Neighbourhoods Project' Tranche 5 funding submission can be found in Appendix 3.

Salford's city centre is changing rapidly as the central business district expands westwards along the River Irwell. Significant private sector development is taking place alongside investment in new and improved infrastructure.

As illustrated in Figure 1, Gore Street is located in the heart of Salford city centre. It sits between Chapel Street to the north and Salford Central Station to the south and provides a link between the cities Inner Ring Road (Trinity Way) and New Bailey Street, a key city centre corridor and bus route.

**Figure 1: Location of Gore Street Scheme (within red boundary)**



On its northern side, Gore Street bounds a new residential development currently under construction (known as The Filaments), the Reich Group Insurance and Brokers office building and the Edgerton Arms hotel. The Filaments development, due to complete in 2021, will provide 364 apartments, a new access/landscaping and associated works that facilitate a new pedestrian route through the site between Chapel Street and Gore Street.

A railway line runs to the south of Gore Street, with Salford Central station located at its south-eastern end, off the A34 New Bailey Street. A new office development is being developed to the south of the railway line. As part of this development, a pedestrian link will be created through the railway arches to facilitate integration between the neighbouring developments.

The Gore Street scheme seeks to complement neighbouring regeneration and support the transformation of Gore Street into an attractive and welcoming environment for local residents, workers and those accessing Salford Central.

## **2. Project Details**

The scheme will upgrade a 175m stretch of Gore Street, between the junctions with Trinity Way and New Bailey Street, to reflect its role as: a link in the walking and cycling network; a key route to Salford Central Station; and a gateway into central Salford.

The scheme will integrate with adjacent developments and support the opening up of railway arches to create new pedestrian routes through what is currently a significant barrier. The proposals will improve access between Chapel Street, Salford Central Station and New Bailey as well as improving connectivity into Manchester.

Key elements of the scheme include:

- Upgrading the existing footways;
- Providing a raised table/pedestrian crossing that would connect directly to public realm within the Filament Development and the new pedestrian route through the railway arches;
- Reducing the impact of traffic on Gore Street including narrowing of carriageway;
- Public realm and landscaping enhancements on Gore Street; and
- Rationalising parking and loading on Gore Street.

Preliminary design work was undertaken to support the public consultation for the scheme in Summer 2020. Feedback from consultation and further investigation of site conditions has informed the detailed design process which is due to complete in April 2021.

The original scheme included reconfiguration of the junction of Gore Street and Trinity Way to enable vehicles to turn left out of Gore Street onto Trinity Way (currently it is only left turn into Gore Street from Trinity Way). However, further investigation of site conditions and assessment of road safety identified that this was no longer desirable due to visibility at the junction and traffic speed on Trinity Way. As a result, Gore Street will remain one way from the junction of Trinity Way with additional highway and landscaping features to narrow the carriageway down to a single lane.

The latest General Arrangement drawing is included in Appendix 1. Examples of options for landscaping/planters being considered for Gore Street are included in Appendix 2.

### **3. Consultation**

Lead Member for Planning & Sustainable Development and the Executive Support Member for Transport were briefed on the proposals prior to consultation in March 2020. 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, held in Summer 2020. The consultation process included circulation of a consultation leaflet to residents and businesses in the area affected by the scheme, consultation with local ward members and discussions with local businesses and stakeholders.

### **4. Estimated Project Costs**

The estimated total cost for the project is £0.68m. This includes £0.17m for project development costs, and £0.51m (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 – Lot 1 (NEC4 Option B).

The Bolton Framework has successfully delivered a number of schemes of a similar scale/nature to Gore Street Connection 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 June 2019, the Council was advised that its submission for the tranche 5 City Centre bid, including Gore Street, 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 £1,079,081.10 with a match funding contribution of £195,000 towards the project. The latest cost estimate for the scheme is £682,573.49. As a result, the revised funding submission to the MCF programme is currently forecast to be £487,573.49. 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 based upon the latest cost estimates 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	487,573.49
Local contribution	195,000.00
Total	682,573.49

### 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.

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 Summer 2021 once the Tender process has been completed and the highest scoring tender has been identified.

### Local contributions:

A local contribution of £195k has been secured from Salford City Council funding and will contribute towards the scheme. The funding has been reassigned from underspend from the DfT Pinch Point grant awarded to the Irwell St Junction project located in City Centre Salford. Approval in writing has been received from the

Department for Transport for the reallocation of the funding and there are no specific conditions associated with using this funding for the Gore Street Scheme.

## **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.

## **8. Programme**

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

<b>Gore Street Connection – Key Milestones</b>	<b>Completion (Forecasted)</b>
Detailed Design	April 2021
Procurement	June 2021
Business Case Submission	July 2021
Business Case Approval	October 2021
Construction Starts	November 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 £195,000 funding reassigned from underspend from the DfT Pinch Point grant awarded to the Irwell St Junction 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. Procurement Board approval for the scheme to go out to tender was received in June 2020.

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); 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).

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 £195,000. Should this local contribution 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. Interface with third party development on either side of Gore Street and the impact that this could have on scheme delivery and cost.
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**LEGAL IMPLICATIONS** Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323. Date: 18<sup>th</sup> February 2021

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 – Lot 1 (NEC4 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.

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.

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**FINANCIAL IMPLICATIONS** Supplied by: Natalie Birchall Finance Officer  
L2 Ext 2316. 18<sup>th</sup> February 2021.

The Gore Street Connection scheme, as proposed in this report, has a current estimated cost of £682,573.49 of which the estimated cost of implementing the scheme is £514,013.08. The scheme received MCF programme entry approval in June 2019 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.

In addition to the grant funding a local contribution of £195k has been secured from Salford City Council funding and will contribute towards funding the scheme. The funding has been reassigned from underspend from the DfT Pinch Point grant awarded to the Irwell St Junction project located in City Centre Salford. Approval in writing has been received from the Department for Transport for the reallocation of the

funding and there are no specific conditions associated with using this funding for the Gore Street Scheme.

In agreement with GMCA, as the scheme has received programme entry approval SCC are able to claim scheme development costs in advance of FBC approval which is expected in June 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 SCC funding. Following FBC approval to be submitted to GMCA in October 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.

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**PROCUREMENT IMPLICATIONS** Supplied by: Supplied by: Heather Stanton – Category Manager ext. 6241. Date: 18<sup>th</sup> February 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.

Authority has already been granted by Procurement Board for the Gore Street Connection Mayor's Challenge Fund scheme to be procured in accordance with the Council's Contractual Standing Orders through an existing Framework. This followed presentation of the scheme in June 2020 to procurement board, where permission was sought to go out to tender.

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**HR IMPLICATIONS** Supplied by: N/A

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**CLIMATE CHANGE IMPLICATIONS** Supplied by: Simon Telford, Project Manager, Infrastructure Team, Tel 077996772. Date: 14 February 2021

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.

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OTHER DIRECTORATES CONSULTED: N/A

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CONTACT OFFICER: Simon Telford      TEL NO: 07799677214

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WARDS TO WHICH REPORT RELATES: Ordsall

**Appendix 1: General Arrangement Drawing**

**Appendix 2: Examples of landscaping features**

**Appendix 3: City Centre Salford ‘Active Centres, Corridors & Neighbourhoods Project’**