

Background

In 2017 Nottingham City Council accepted £1.25m funding from the then Homes and Communities Agency (now Homes England) to provide supporting infrastructure for the Waterside Regeneration Area, and more specifically to deliver a new spine road and associated public realm linking Trent Basin to Poulton Drive. The road will run east west through the Trent Basin development (see plan).

Delivery of the road is intended to ensure Trent Basin is integrated within the wider Waterside area and will become a public route adopted by the Council. The first phase of the road, to the east, will provide an important pedestrian access to a new primary school – due to open in September 2023.

Complex land ownership issues were resolved by the Department for Education, Nottingham City Council and developers Blueprint in late 2020, enabling proposals for the new school and road to be progressed.

Delivery

Major Projects secured planning permission for the first phase of the road in November 2020 and began due diligence work and preparations for detailed design with the intention of NCC procuring and managing the delivery of the road.

This included liaison with both the Department for Education (DFE) and developers Blueprint to identify any conflicts or constraints associated with the construction of a new school, new road and housing in close proximity and within a similar timeframe by three separate entities.

This work has identified a number of potential risks and liabilities to the Council related to:

- Lack of control over design and level changes on adjacent sites which may result in adverse impacts on the design of the road including increased cost and delays;
- Limited compound areas for contractors resulting in difficulties in phasing and potential costly delays;
- Access requirements over the route of the road and potential damage during and after road construction works;
- Delays and additional costs due to the need to halt works to allow access by other contractors;
- Potential damage to drainage connections to Trent Basin leading to additional costs and delays;
- Increased costs of monitoring and identifying damage and rectification requirements.

As with other construction schemes, alternative approaches to delivery have been considered to resolve and reduce liabilities for the Council. Consideration has been given to delaying the work, however the road is linked to the delivery of the new school which is due to be operational in September 2023 and so this has been rejected.

An alternative approach is the direct award of the contract to the developer/contractor delivering new housing immediately adjacent to the road. This would significantly reduce risks to the Council and allow the road to be constructed in tandem with housing construction phases – ensuring design, levels, drainage and utilities are integrated. This provides a mutually agreeable solution with a single contractor responsible for undertaking works without risk of delay or damage by third parties.

State Aid, Procurement and Value for Money

In considering the most advantageous delivery route, due regard has been given to state aid and procurement. The new road is to be provided for the public good and will link Trent Basin with the wider Waterside, provide key pedestrian access to the new school and will be adopted by the Council on satisfactory completion.

The contract value falls below the EU Works Threshold for public procurement. For Phase 1, the developer has provided details of the procurement process, methodology and selection process for their main contractor (who will be undertaking housing construction adjacent to the road) and this is considered satisfactory. Tenders from sub-contractors will be sought and this will include quotations from 3 subcontractors with all submissions provided to NCC to demonstrate value for money. Cost estimates for the delivery of Phase 1 have been provided including design team, managing contractor and works costs. These rates have been reviewed against NCC estimates and are considered reasonable and costs typical. Final costs will be confirmed once subcontractors have been procured however the works for phase 1 are anticipated to be below £250,000.

For Phase 2, design work has not yet commenced and contractors are not yet selected. The developer will undertake procurement in line with NCC procurement guidance, providing details for review and agreement by NCC.

Performance

The developer has confirmed that NCC will be included in the warranties for the work. This will also form part of the contract requirements alongside specification for the works and timescales for completion. Payment for the works will be made in stages in arrears and subject to confirmation of satisfactory completion by NCC officers. It is intended to allocate a sum of up to £50k for liaison with

contractors, monitoring, certifying and issuing payments and any necessary legal fees.

Decision

In order for the delivery of Kilpin Way to proceed at minimum risk to the Council it is proposed to:

- Dispense from Contract Procedure Rule 4.1.2 in accordance with Financial Regulations 3.29 to make a direct contract award for the construction of Phases 1 and 2 of Kilpin Way for the reasons set out in this report.
- Approve expenditure of up to £50k for fees to liaise with contractors, undertake quality checks, certify satisfactory completion and issue staged payments in arrears and undertake any necessary legal work.