

To: Cabinet
Date: 16 November 2022
Report of: Executive Director (Development)
Title of Report: Appointment of a Contractor for the Oxpens River Bridge

Summary and recommendations	
Purpose of report:	<p>To seek approval to enter into a legal agreement with the Oxfordshire County Council to enable the completion of the Oxpens River Bridge, as set out within the Oxfordshire Housing and Growth Deal.</p> <p>To fund and enter into a construction contract to build the Oxpens River bridge, subject to agreement with Oxfordshire County Council.</p> <p>To enter into an agreement with OxWED (which owns some of the land on which the bridge will be situated) to facilitate the construction of the bridge.</p>
Key decision:	Yes
Cabinet Member:	Councillor Alex Hollingsworth, Cabinet Member for Planning and Housing Delivery
Corporate Priority:	Enable an inclusive economy; Deliver more, affordable housing; Support thriving communities; and Pursue a zero carbon Oxford.
Policy Framework:	Oxford Local Plan 2036

Recommendations: That Cabinet resolves to:	
1.	Delegate authority to the Executive Director (Development), in consultation with the Head of Financial Services/Section 151 Officer, the Head of Law and Governance and the Cabinet Member for Planning and Housing Delivery, to agree and enter into contractual terms with Oxfordshire County Council for £2.8 million of additional funding from the Oxfordshire Housing and Growth Deal Funds (OHGDF) and an amended collaboration agreement to cover revised project delivery arrangements, including fees and programme;
2.	Recommend to Council the establishment of an additional capital budget of £2.8 million in 2022/23 & 2023/24 funded from additional growth bid monies;
3.	Delegate authority to the Executive Director (Development), in consultation with the Head of Financial Services/Section 151 Officer, the Head of Law and

Governance and the Cabinet Member for Planning and Housing Delivery, to enter into contractual terms with a contractor for the pre-contract stages of the Oxpens River Bridge by signing a project order for providing detailed design, programme, and 100% market tested estimate for the bridge subject to the Council's normal procurement procedures;

4. **Delegate authority** to the Executive Director (Development), in consultation with the Head of Financial Services/Section 151 Officer, the Head of Law and Governance and the Cabinet Member for Planning and Housing Delivery, to agree and enter into contractual terms with a contractor by signing a delivery agreement to build the bridge and carry out associated works subject to the project being deliverable within the funding available and compliant with the Council's normal procurement procedures;
5. **Delegate authority** to the Executive Director (Communities and People), in consultation with the Cabinet Member for Planning and Housing Delivery, the Head of Law and Governance, the Head of Financial Services/S151 Officer and the Head of Corporate Property to enter into a legally binding agreement(s) with OxWED to enable the bridge to be constructed from their land and over land to the rear of the ice rink and to undertake enabling works if appropriate to facilitate the delivery of the bridge.

Appendices

Appendix 1	Risk Register
Appendix 2	Initial Equalities Impact Assessment
Appendix 3	Commercial Case (Confidential)

Introduction and background

1. The Oxfordshire Growth Deal ("the Growth Deal") has been agreed between HM Government, Oxfordshire local authorities and the Oxfordshire Local Enterprise Partnership (OxLEP). Through the Growth Deal, Oxfordshire partners have committed to delivering a plan for the delivery of 100,000 new homes to 2031. In turn, HM Government has committed to provide Oxfordshire with up to £215m funding, of which £150m is for infrastructure over a five-year period to March 2023.
2. Oxfordshire County Council will need to take a cabinet decision on 18th October 2022, before our cabinet decision, which will be subject to the county receiving the final £30m from Homes England. Therefore, this report is written on the basis that this is getting the delegation in place to enable us to move forward, if funding is formally agreed.
3. Oxfordshire County Council is the lead body for infrastructure delivery in support of the Growth Deal, and entered into a collaboration (funding) agreement with the City Council in March 2020 to pass funds to the City Council to deliver the pedestrian and cycle bridge between Oxpens and Grandpont.

4. The Growth Deal allocation was made because the bridge is a key policy requirement to unlock the growth potential of the Osney Mead site allocation (SP2), which sits in the West End Area of Change within the Council's adopted Local Plan. As such, based on the collaboration agreement with Oxfordshire County Council, and the rationale for the allocation of Growth Deal funds, the grant cannot be used to deliver other work to bridges or infrastructure elsewhere in the city.
5. In March 2020, Cabinet agreed to accept the funding (£5.9m). Drawdown of the funding is currently set out in the collaboration agreement as being in two parts: (1) Design Funding - £300k and (2) Post Design funding – the remaining £5.6m. Funding draw down at each stage is dependent on satisfying a set of pre-conditions set out in the collaboration agreement. To date, and in line with the collaboration agreement, we have spent nearly £300k, which has been used to develop design work progress. Under the terms of the updated collaboration agreement, the completion date for the bridge is 31 December 2023. Due to delays on Future Oxfordshire Partnership funding, we are seeking a variation to the agreement to enable an extension to this date to 30 June 2024, or as otherwise agreed with the Oxfordshire County Council, and for further design funding for the next stage of the works.

Progress on scheme

6. The RIBA Plan of Work organises the process of briefing, designing, constructing and operating building projects into eight stages and explains the stage outcomes, core tasks and information exchanges required at each stage. These are illustrated in the image below.



RIBA stages for Large Projects

7. Following a competitive procurement process Stantec, working with Knight Architects, have been appointed to undertake the design. A programme was initially produced to enable delivery by March 2023 at RIBA stage 2. This was extended, primarily due to funding issues, to December 2023. As we have progressed the design it transpires that this delivery timetable now needs to be extended to June 2024. The Cabinet agreed to additional spend from the Bridge budget to progress

design work to enable a planning application to be made (Cabinet of March 2022). This additional spend was agreed with Oxfordshire County Council.

8. The bridge design has now completed RIBA stage 3. At this stage options have been developed and an updated cost report produced. We have submitted a planning application and determination expected on in January or February 2023. This will include a statement of public involvement following the public consultation, completed on 13 September 2022. The further design work has highlighted an increased cost, mainly due to inflation issues related to the Ukraine conflict. This considered further below. Consideration is also being given to the options of completing RIBA 4 detailed design stage directly or procuring on a “Design & Build” basis to include the RIBA 4 detailed design stage.
9. Through ongoing discussions with Procurement and Legal, we have determined the optimum route in terms of programme, value for money and risk is to use the Design & Build route allowing valuable Early Contractor Involvement (ECI). This will provide much needed advice on cost and programme in a volatile market, in terms of inflation. This is particularly useful in a project like this where the steel for bridge forms a major part, over 30%, of the contract and ECI allows early discussion with the steel fabricators to detail steel connections etc., tweak the design to be more fabricator friendly, and hence make cost savings and gain valuable insights about optimum steel connections, temporary works, delivery etc..
10. We have determined that use of the SCAPE framework would be the most advantageous in terms of shortening the programme, while still obtaining best value. The SCAPE Framework service is a well-established national framework for local authorities which has successfully delivered over 4,000 completed projects totalling in excess of £14bn. As part of the SCAPE Framework service, Balfour Beatty are the single source contractor. This has been tested by our Head of Procurement to ensure we are still achieving value for money. Balfour Beatty have undertaken a, free of charge, feasibility process in advance, and without committing the Council to a contract with them. This has shown the scheme is deliverable and laid out early stage cost estimates and programme. It lays out a 2 stage process to appoint Balfour Beatty for Stage 1, the Pre-construction contract to undertake the remaining detailed design process, undertake strategic supply chain negotiations, engage social value partners, carry out site investigation and enabling works, undertake value engineering workshops and risk validation to come up with a tender report that will produce an implementation plan that will give certainty to cost and programme, if appointed to Stage 2, the construction stage.
11. Delegation is sought to enable a pre-construction services agreement and contract. Then, if this delivers an acceptable programme and a cost that is within the agreed budget, a Stage 2 construction contract to be entered into with Balfour Beatty through the SCAPE Framework.
12. It is noted that if we proceed along the Design & Build (D&B) contract route, through the SCAPE or any other contract procurement framework, all or some of the RIBA Stage 4 design would then be undertaken by the contractor; albeit it could still be through the same Stantec design team, novated across. The use of a D&B contract, as compared to a more traditional contract route where we fully design the scheme and then go to tender, is intended to have a shorter programme and more efficient design process; the intention being to utilise the skilled contractors knowledge in the design process.

Bridge Design & Costs

13. The bridge alignment was fixed at RIBA stage 2 following extensive negotiation with Oxfordshire County Council, planning and key stakeholders. RIBA stage 3 has developed the design to a stage where we could consult the public and key stakeholders. We have undertaken many discussions with Oxford West End Developments (OxWED), the City Council's Joint Venture with Nuffield College. This is because the bridge is likely to require its land and approval, and it will also need to relate to their proposed redevelopment proposals.
14. OxWED have requested that we consider undertaking some of their enabling works as part of our works on the bridge contract. This would be beneficial as it would make the works less disruptive to road users and local residents as a large amount of spoil material needs to be moved from the Meadows to the OxWED site. If this material is moved before the bridge is built, it can be transported across land we both control without the need for vehicles to access Oxpens Road. This will have financial and environmental benefits for all. We are also discussing the use of OxWED land for our compound, crane site and for some material access. The Property and Legal teams are reviewing this on our behalf so we can agree the form of agreements between parties. In terms of planning strategy, in our joint discussions, we are relatively aligned in making our initial applications. OxWED have separated out their initial application into 2, (i) enabling works and (ii) outline for the whole site. This then allows the planning applications for the bridge and the enabling works to be considered in the same time frame for compatibility, whilst still standing alone as separate applications.
15. The City Council have been working on two related and adjacent schemes, the proposed Oxpens River Bridge & Osney Pathworks. Reaching RIBA stage 2 on both schemes showed that there were funding gaps for each scheme both individually and together. As the bridge links to the pathworks, it is proposed to complete a first phase of the pathworks project, from the new Oxpens bridge to the railway bridge, with the currently available HIF funding. This is within the scope of the funding agreement and will create a new path alignment between the new Oxpens bridge and the existing railway bridge, removing the very steep section with a better, wider path at a gradient compliant with national standards for cycle routes. It is likely that the remainder of the pathworks project will be completed at a later date when the funding associated with the proposed housing at Osney Mead becomes available.

Programme

16. Milestones

- Enter into Pre-construction Services Delivery Agreement with Balfour Beatty
- 29 November 2022
- Planning determination - January 2023
- Technical approvals - January - June 2023
- Finalise RIBA Stage 4 design, programme and costs - July 2023
- Enter contract to build bridge - July 2023

- Complete bridge

- May 2024

17. In April 2022 we made a written request to Oxfordshire County Council to extend the original completion date of March 2023 to December 2023; this was accepted and reported to EOG. The previous programme enabled the delivery of the bridge by the revised collaboration agreement deadline by December 2023, however, this programme now requires further amendment due to the uncertainty of the delivery funding being in place.
18. The City Council will not get planning permission for the Oxpens River Bridge until January/February 2023. This is 3 months behind our programme due to clarity over closing the previously identified funding gap. We will need to make a written request to Oxfordshire County Council for a programme extension. Balfour Beatty have updated the programme, as part of the feasibility study, it shows the Pre-Construction contract starting on 29th November and completing 24 July 2023. Key dates on the critical path have been provided and these revolve around the Environment Agency approvals, steel design, fabrication and delivery of the bridge.
19. If the Council proceed with the appointment of Balfour Beatty via the SCAPE framework, the Pre-construction Services Delivery Agreement with Balfour Beatty needs to be signed to allow a fixed price and accurate programme to present to the City Council. This process will take 6 -7 months.
20. If the price and programme are acceptable to all parties, a fixed price contract can be entered into to build the bridge. Completion would be scheduled for 1 year later.
21. We currently anticipate the completion date of the contract and construction to be end of July 2024.

Financial implications

22. £6m was put in place through the Growth Deal Funds (subject to Growth Deal change control agreement) for the Oxpens River Bridge - £5.9m of which forms the amount agreed in the 2020 collaboration agreement between the City and County Councils – the remaining £100k being retained by Oxfordshire County Council to cover Oxfordshire County Council staffing costs associated with the project.
23. In agreeing to take on the funds, responsibility for delivering the design to RIBA Stage 4 sits with the City Council, but with ongoing input from Oxfordshire County Council as part of the project team and funding partner.
24. The latest combined construction costs of the bridge and phase 1 pathworks is anticipated to be £10.2m. This includes design and construction contingencies.
25. The Future Oxfordshire Partnership has now agreed in principle to supplement the original grant of £5.9m, subject to the funding being available and agreement of Oxfordshire County Council Cabinet, by an additional £2.8m to cover the funding gap. This takes account of using £1.5m of HIF funded grant for the pathworks element described in paragraph 15. This additional £2.8m was requested based on the mid RIBA 3 cost estimate that were undertaken by cost consultants Gardener & Theobald for the City Council. Since then the design has progressed and Balfour Beatty have undertaken a more detailed cost estimate of the scheme and have indicated an increased cost of delivery of £10.2m. A process of value engineering

and challenging the costs will now take place to enable the bridge to be delivered within the budget available.

26. The contractual terms entered into will protect the City Council from any financial exposure should the project not then move forward. This will be achieved by ensuring that any incurred or committed expenditure to that point cannot be clawed back by Oxfordshire County Council. The project will not proceed to construction if there is not sufficient certainty over the funding. The trigger point for this will be after the Pre-construction contract when Balfour Beatty provide us with a fixed fee to complete the works. In order to reduce this risk, the City and County Councils have instigated a project management team to oversee the project. A shared gateway process and joint sign off procedure on spending drawdown has been implemented.
27. In the light of the remaining funding gap a request for £2.8m further Growth Deal funding was made. The additional funding has been agreed through the Future Oxfordshire Partnership, and was formally considered by Oxfordshire County Council Cabinet on 18 October 2022, but is also subject to Oxfordshire County Council receiving the remaining tranche of Growth Deal funding from central Government. An update on the position of the Growth Deal funding will be reported verbally at the Cabinet meeting.
28. It is also worth noting that the Growth Deal funds are designed, where practicable, as revolving funds that can be, in full or in part, replaced at the stage when development partners are required to make Community Infrastructure Levy Payments or enter into S106 planning obligation agreements.

Legal issues

29. Oxfordshire County Council is the accountable body for receipt of Growth Deal infrastructure funding from the Government. In order to meet the timescales of this original collaboration agreement, Oxfordshire County Council sought for the City Council to deliver the project. In accepting such funding from Oxfordshire County Council, the City Council has sought to ensure that the conditions upon which the funding was provided are met, in full, to ensure that there is no risk of claw back by Oxfordshire County Council. Where it is not possible to eliminate all risk of clawback, the collaboration agreement states the terms on which funds may need to be returned. These details are set out in the collaboration agreement between the County and City Councils.
30. City Council Officers will negotiate with Oxfordshire County Council to ensure that the principles underpinning the amended contractual arrangement between Oxford City Council and Oxfordshire County Council will be flexible enough to allow for any changes to programmed activity. This is in recognition that the project is at RIBA Stage 3, and that changes may arise from a greater understanding of project constraints and costings developed through design stages remaining. Therefore, the milestones, timings and outputs the City Council is obliged to meet will need to allow for change in timings and approach.
31. The proposal is to agree a variation to the current legal agreement, to enable the realisation of the additional funds.
32. Good liaison has taken place throughout the project with legal attending the project board meetings.

33. OXWED have requested that we consider undertaking some of their enabling works as part of our works on the bridge contract as shown in Paragraph 9 above. The Property and Legal teams are reviewing this, so we can agree the form of contract. It looks likely that we will add the works to the Bridge contract, through the SCAPE framework, and then need to claim the monies back from OXWED. The details of this payment arrangement and claim process will need to be clearly documented in an agreement between the Council and OXWED.
34. A legal agreement is required with OXWED to build part of the ramp structure on a small part of land owned by OXWED, just behind the ice rink. Further information is in confidential Appendix 3.

Level of risk

35. Risk Register attached as Appendix 1.
36. There is a risk that more detailed design and feasibility work reveals new constraints or requirements that alter timescales or costings. The impact of this will be assessed as part of the gateway process set out within the collaboration agreement and also through the City Council's own staged gateway process for managing its capital programme through to delivery. This risk reduces as the design progresses due to the increased awareness and information accumulated.
37. Should it not be possible to meet, or agree, gateway conditions set out in the collaboration agreement, there are contractual terms to protect the City Council from any financial exposure, should the project not then move forward. As highlighted above, this will be achieved by ensuring that the City Council comply with any necessary pre-conditions and terms of the collaboration agreement so that any incurred or committed expenditure to that point cannot be clawed back by Oxfordshire County Council.

Equalities impact

38. The Equality Act 2010 Section 149 places a duty on public authorities to have regard to the need to eliminate discrimination, harassment, victimisation, advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
39. Equalities Impact Assessment exists to ensure no discrimination, direct or indirect exists within the project planning and structure. It also exists to ensure that appropriate funding uplifts are included where additional works may be needed to ensure equity of service.
40. An "Initial Equalities Impact Assessment screening form" was undertaken in July 2022 and is attached as appendix 2. This is being used to shape the design of the infrastructure. The bridge design will be compliant with Local Transport Note 1/20 to ensure accessibility for all. Detailed design of the bridge will also be subject to separate technical approval processes to ensure compliance with current standards.

41. Detailed design of the infrastructure will also be subject to separate approval processes and has been, and will continue to, consider equalities impacts in the development of all the major works proposals.

Carbon and Environmental Considerations

42. During the early design stages, the design team were committed to addressing the Climate and Biodiversity Emergency in all design. The greatest opportunity to reduce carbon happens at the early stages of design, when the “build less” principle was the focus. The selection of the alignment of the bridge has been selected to create as direct route as possible between Osney Mead via Grandpont and the City Centre. By minimising the length of the route it reduces the materials needed which helps reduce the carbon impact of the scheme.

43. Ensuring the design provides a positive user experience will also contribute to the sustainability of the project. The pedestrian/cycle only bridge itself will encourage modal shift, encouraging more journeys to be undertaken by cycling and walking thereby reducing car journeys. This promotes active travel and reduces vehicle use.

44. Alternative designs and construction materials were considered to minimise embodied carbon. After considering a number of options for construction materials, and how they addressed acceptance by the adopting authority (Oxfordshire County Council), maintenance, longevity, placemaking requirements and visual bulk & identity. Some of the other constraints were the need to provide vertical river clearance for watercraft and headroom for cyclists on both towpaths, whilst limiting span lengths and delivering shallow tie-in gradients to existing ground levels that provide access for maintenance.

45. When assessing timber bridge options, the navigation clearance was compromised by the depth of construction, the durability and design life, likely requiring two bridges in the life of the steel bridge proposed with the associated disruption and additional carbon and capital costs. The adopting authority, Oxfordshire County Council also stressed the requirements to meet the Adoption standards and approvals would not be achieved by a timber structure. The combination of these constraints leads us to the bridge material section of steel with steel/concrete abutments to provide durability of the structure, facilitate easy maintenance over the river and to meet the adoption requirements.

46. The scheme is being designed to ensure at least a 5% Biodiversity net gain.

47. This complies with our aims to meet net zero by 2030 by supporting active travel.

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Background Papers:

1. Report to Cabinet 11 March 2020 – [Allocation of Growth Deal Funding to Oxford City Council](#)
2. Report to Cabinet 16 March 2022 – [Oxpens River Bridge Design](#)