

Portfolio Holder Decisions

Friday 6 October 2023

Minutes

Attendance

Committee Members

Councillor Peter Butlin

1. A4177 Birmingham Road, Hatton

Resolved that

- 1) The Deputy Leader (Finance and Property) approves the addition of £1,600,000 to the Capital Programme budget for 2023/24 by increasing the estimate for the fully developer funded highways improvements scheme A4177 Birmingham Road, Hatton from £600,000 to the new estimated value £2,200,000 on condition that works do not commence until protected by a bond under section 278 of the Highways Act 1980, and
- 2) The Deputy Leader authorises the Executive Director for Communities to carry out an appropriate procurement exercise and award all necessary contracts on terms and conditions acceptable to the Executive Director for Resources.

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Portfolio Holder Decision A4177 Birmingham Road, Hatton

Portfolio Holder	Portfolio Holder for Finance and Property
Date of decision	6 October 2023
	Signed 

1. Decision taken

- 1.1 The Deputy Leader (Finance and Property) approves the addition of £1,600,000 to the Capital Programme budget for 2023/24 by increasing the estimate for the fully developer funded highways improvements scheme A4177 Birmingham Road, Hatton from £600,000 to the new estimated value £2,200,000 on condition that works do not commence until protected by a bond under section 278 of the Highways Act 1980.
- 1.2 The Deputy Leader authorises the Executive Director for Communities to carry out an appropriate procurement exercise and award all necessary contracts on terms and conditions acceptable to the Executive Director for Resources.

2. Reasons for decisions

- 2.1 Any proposal to let a contract with an estimated total value of between £1,000,000 and £3,000,000 can only be approved by the Deputy Leader, the Leader or Cabinet. Authority must be obtained before a procurement commences.
- 2.2 The addition to the capital programme of works costing less than £2,000,000 that are fully funded from developer contributions can only be approved by the Deputy Leader or Full Council.

3. Background information

3.1 A4177 Birmingham Road, Hatton

A planning application was submitted to Warwick District Council by Taylor Wimpey in respect of a residential development on land at Birmingham Road, Hatton. Planning permission is pending (ref: W/19/0933). The planning application includes a proposed ghost right turn lane to create an access to the site.

The County Council will enter into a Section 278 agreement with the Developer to undertake the works and under the agreement all the costs and fees will be fully funded by the Developer.

The Portfolio Holder for Finance and Property previously granted approval on 14 November 2019 to add the scheme to the Capital Programme at an estimated cost of £600,000. Delays by the developer to commence the scheme has resulted in significant construction cost increases due to inflation. In addition, new working restrictions that could not have been reasonably foreseen, have been introduced which impact upon the overall construction programme. As a consequence of the changes the new estimate value is £2,200,000.

The construction contract is a direct award on Lot 1 of the Construction Framework Contract for the Provision of Engineering and Construction Works 2019 but the supplier is also on Lot 4 – Major Highway Works over £4m so is suitable to carry out the procurement.

4. Financial implications

- 4.1 As the new highway assets which are being created through these schemes will come on to the Council's balance sheet once completed, the costs incurred by the Council need to be treated as capital expenditure.
- 4.2 Section 278 schemes are fully funded by developer contributions which are ring-fenced for the schemes described in the sections above. There are no alternative uses for the contributions and the addition of these schemes will not affect the overall level of available capital resources.
- 4.3 The respective Developer has already committed to funding the technical review work by accepting the Council's fee estimates. The Council's fees for technical review are always collected in advance of the s278 agreement being signed.
- 4.4 Procurement and subsequent award of construction contracts will only take place subject to the applicable Section 278 agreements being signed, which will provide 100% of the funding. The s278 agreements will also require the Developer to provide a bond or cash security. The commencement of the works is dependent on the completion of the technical review, procurement, and contractor mobilisation processes. Any slippage or increase in costs due to changes in the scope of the works will be reported in the normal quarterly monitoring process.

5. Environmental implications

- 5.1 The environmental impacts of developer-funded highway schemes are considered through the planning approval process.
- 5.2 The contractors on the Council's Framework Contract for the Provision of Engineering and Construction Works (WCC 6012) have all demonstrated that they

hold a certificate of compliance with BS EN ISO 140001 (or equivalent) or have otherwise satisfactorily demonstrated their policies and arrangements for the management of construction-related environmental issues.

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Director	Director for Planning and Transport
Executive Director	Executive Director for Communities
Portfolio Holder	Portfolio Holder for Finance and Property

Urgent matter?	No
Confidential or exempt?	No
Is the decision contrary to the budget and policy framework?	No

List of background papers

Decision Record – Various Developer-funded Scheme Approvals; Cabinet Portfolio Holder taking Decision, Councillor Peter Butlin Deputy Leader Finance and Property, Decision Date - 14 November 2019

Members and officers consulted and informed

Portfolio Holder – Councillor Peter Butlin

Corporate Board – Mark Ryder

Legal – Nichola Vine

Finance – Andrew Felton

Equality – n/a

Democratic Services – Amy Bridgewater-Carnall

Councillors – Warwick, Singh Birdi, Boad, Philipps and W Roberts

Local Member(s): Cllr Jan Matecki – Budbrooke & Bishop's Tachbrook ED

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