

D2N2 Officers Group**5th December 2017****Gedling Access Road –Pre Compliance Request**

Following approval of Stage 1 on 18th May 2016 and Infrastructure Investment Board's approval of amendments to the Local Assurance Framework, Nottinghamshire County Council wish to request a £0.5million pre-compliance funding facility in support of the Gedling Access Road.

The funding is to be used for capital site enabling works related to the delivery of the project. This will include the purchase of assets or resources and site preparation works to enable full compliance within 10 months.

The Gedling Access Road comprises of a 3.8km long single carriageway road in Gedling east of Nottingham City Centre and its completion will facilitate the full redevelopment of the Gedling Colliery / Chase Farm site including 1,050 dwellings, 6 hectares of employment uses (comprising 4500sq m of B1 (office) use-classes and 18,000sq m of B2 (light industrial) use-classes) and community facilities. The new road will also relieve traffic in Gedling village and provide new transport links.

Site Assembly

Nottinghamshire County Council has agreed terms with a number of key landowners including Carlton le Willows Academy which was required as a planning obligation, and has secured approval to acquire at the Finance and Property Committee on 20th March 2017. Negotiations for the purchase of private land required to deliver the GAR are well advanced. The County Council approved the making of Compulsory Purchase and Side Road Orders at the Transport and Highways Committee on 16th March 2017. The Orders are all in draft form and ready to be made early in 2018.

Site Preparation Works

Site preparation works are underway including advanced ecology work (such as translocation of Open Mosaic Habitat), drainage work and diversion of statutory undertakers apparatus. The completion of these works enable planning requirements to be met but also minimises the risk of delays once the main contract starts onsite.

Contractor Procurement

The Council has selected Balfour Beatty as its preferred contractor to deliver the scheme and is currently undertaking a period of Early Contractor Involvement (ECI) to develop a target price and programme for the scheme. Information required to discharge Planning conditions is being submitted and minor advanced drainage works are programmed to start during December 2017 to commence development.

Scheme Costs

A cost summary for the design and construction of the whole road has been previously reported to and approved by Committee, these are summarised below. The construction costs produced includes a contingency set at 5%, inflation is based on current BCIS (Building Cost Information Service) All In Tender Prices.

| Costs (millions) | Comments |
|-------------------------|--|
| £26.427 | Construction costs (2016 prices) |
| £1.581 | Diversion works to services during main construction works |
| £0.273 | Diversion works to services outside of main construction works (including diversion of gas services already done on Arnold Lane) |
| £28.281 | Construction Total |
| £1.755 | Inflation (assumed 7.35%) – based on current BCIS All In Tender Prices |
| £0.061 | Advanced Works |
| £1.273 | Contingencies (5%) on construction costs and services during construction |
| £0.478 | Testing (2%) including ground investigation works |
| £2.051 | Design, Project Management and Site Supervision |
| £33.899 | Design and Construction Total |
| £7.000 | Land & Rights Acquisition, Compulsory Purchase Order, compensation (including blight and Part 1 claims) and costs relating to Unilateral Undertaking |
| £40.899 | TOTAL PROJECT COSTS |

The funding stream by each development partner involved in the project is as follows;

- Land and Enabling Works
 - HCA - £7.17 million;
- Construction (including design)

- NCC Capital - £5.4 million;
- D2N2 - £10.8 million (outline business case approval obtained, full approval required as discussed below);
- Housing Developer (Keepmoat) - £17 million including Community Infrastructure Levy (CIL) liabilities of £4.488 million via GBC;
- Section 106 contributions - £0.529 million (£0.436 million from Teal Close development).
 - total: £40.899 million

Stage 2 Approval

The Value for Money and Business Case assessment has been updated and the supporting narrative is being prepared for submission during December 2017. Officers from Nottinghamshire County Council and Via East Midlands Limited will be presenting a scheme update on the 21st December 2017. It is anticipated that this will provide D2N2 with sufficient information to grant conditional approval and the scheme to achieve full compliance by September 2018 upon completion of statutory procedures to enable construction works to be mobilised. The County Council entered into the funding agreement with the Homes and Communities Agency and Keepmoat Homes in September 2017 that secures the ability to drawdown the funding contributions from the housing development required for the GAR once contracts for its delivery are in place.

I can confirm Nottinghamshire County Council's request for a £0.5 million pre-compliance funding facility in support of the Gedling Access Road.

The revised profile for the D2N2 total £10.8 million allocation is as follows:

| | |
|---------|--|
| 2017/18 | £0.5 million (as pre-compliance funding) |
| 2018/19 | £4.9 million |
| 2019/20 | £5.4 million |

Kevin Sharman, Nottinghamshire County Council