

**CLEAN AIR PLAN APPROVAL & CITY CENTRE TRANSPORT
IMPROVEMENTS: CITY CENTRE WEST PHASE 1 - CENTRAL
SQAURE**

**STRATEGIC PLANNING AND TRANSPORT (COUNCILLOR
CARO WILD)**

AGENDA ITEM: 14

Appendix 3 of this report is not for publication as it contains exempt information of the description in paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.

Reason for this Report

1. To note the positive outcome of the Minister's Decision to approve the Councils Clean Air Plan on the 20th December 2019 and subsequent funding of £21.27m funding.
2. To seek approval to award the contract for City Centre West Phase 1 – Central Square Transport Project to the winning contractor: Knights Brown Construction Ltd.

Background

Air Quality Direction

3. The Council has been following a legal process to comply with the a legal Direction issued by Welsh Government in 2018¹ in order to identify a preferred option to ensure compliance with the EU limit value for nitrogen dioxide (NO₂) could be achieved in the shortest possible time. The work undertaken as part of this study identified a City Centre issue, in particular Castle Street and the surrounding areas. As part of this legal process the Council submitted its final plan in June 2019, which identified a package of measures as our preferred option. The measures included in this package included:

- Implementation of Electric Buses;
- Bus Retro Fitting Programme;
- Taxi Licensing Policy and Mitigation Scheme;
- **City Centre Transport Improvements;** and

¹ Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Air Quality Direction
2018 14th Feb 2018

- Active Travel Measures
4. Following review of this plan Welsh Government issued a further direction at the end of July 2019 which required the final plan to be refined and re-submitted no later than the 31st October 2019.
 5. The revised plan was submitted to Welsh government on the 27th October 2019. Following review by Welsh Government's independent expert panel the Council was notified by the Minister for Environment on the 20th December 2019 that the revised final plan had been fully approved by Ministers.
 6. In terms of the Taxi Licensing Policy and Mitigation Scheme, the Council will continue to work directly with the Taxi Trade to ensure that the implementation of the revised licensing policy and the awarded £1.8m is best used to support drivers in Cardiff.
 7. Integral to the Clean Air Plan are the three city centre schemes, and the approval of the Clean Air Plan has enabled the majority (£15.2m) of the funding for these schemes to be secured.

City Centre Transport Improvement Phase 1

8. As a result of this increased pressure and the successful response to the Clean Air direction, the Council has developed a major set of projects to fundamentally transform the inner 'ring road' from the west, north, and east of the centre. The projects will tackle the local and national air quality issues in the city centre by reducing vehicle demand, resulting in reduced emissions. 20mph limit areas will also be applied to all project areas where possible to improve road safety and encourage more walking, cycling and public transport. All of the projects will provide the highest quality of active travel infrastructure for the city and connect key developments in a sustainable way. The projects will work as a collective to improve bus circulation flow and connect buses with the new Transport Interchange.
9. The three active project areas are as follows:
 - i. **City Centre West:** Central Square and Westgate Street
 - ii. **City Centre North:** Boulevard de Nantes, Kingsway and Castle Street
 - iii. **City Centre East:** Dumfries Place, Station Terrace, Churchill Way and Bute Terrace
10. In addition to the three main project areas the following supporting projects are now active:
 - iv. **City Centre Enabling Works Package:** A series of supporting network enhancement that will improve connections to and from the city centre area
 - v. **SMART Corridors:** Three improvement corridors (North, East and West) aimed at improving bus journey time

reliability into the city centre and alleviating congestion problems on key routes.

**A map showing the city centre project areas is included in Appendix 1 of this report*

11. Cabinet considered a report in June 2019 on Air Quality and City Centre infrastructure Projects. The 1st phase of City Centre West is Central Square, and this report directly relates to the contract award for this project.
12. This contract refers specifically to the City Centre West Project: The main aim of this scheme is to accommodate the new Transport Interchange and Central Square Development, whilst also Improving Air Quality within the City Centre Air Quality Management Area. This will be achieved by removing through-traffic from Westgate Street and installing a new highway layout that will improve and connect the current bus network with the new Interchange, Central Square, Central Station and the City Centre Enterprise Zone. In addition, the scheme will offer improved safety for pedestrians through improved pedestrian crossing facilities, 20mph speed limits and an improvement to the pedestrian environment outside of the national stadium. The scheme will also install a network of stepped cycle tracks to connect the area with the proposed cycleway on Castle Street and the existing Taff Trail routes

Current Issues & Future Pressures

13. There are a number of key challenges that need to be addressed by the wider city centre improvements, including the proposed Central Square scheme:
 - i. **Air Quality** – Westgate Street and Castle Street are currently within an Air Quality Management Area (AQMA). Castle Street is also a national air quality issue and this street has been modelled to not comply with the annual average EU Limit value for NO₂ beyond 2021. Failure to approve schemes now will result in unavoidable programme delays, the result of which will mean the schemes cannot be constructed in time to achieve compliance with the NO₂ limit value in the shortest possible time as required by law.
 - ii. **Transport Interchange and Central Square Development:** The Phase 1 City Centre West project is needed to ensure the Interchange can operate at maximum capacity and that the surrounding areas can facilitate people movement in Central Square (Development adds circa 10,000 jobs).
 - iii. **Lack of Cycling Infrastructure** – There is currently a poor standard of cycling infrastructure in the City Centre. Cycle lanes (where present) are not segregated and do not meet Active Travel Wales guidance. The City Centre schemes are required to connect all five proposed Primary Cycleways together. Failure to achieve this will

result in a disconnected cycle network and fewer people choosing to cycle rather than travelling by private car.

- iv. **Restricted Bus Priority Box** – The current bus priority around the City Centre is provided primarily in the anti-clockwise direction and needs to be enhanced to add the flexibility needed to accommodate the new Transport Interchange in Central Square. Future enhancements will also need to accommodate cross city routes, improved event day movement, quicker and shorter loops for local and regional buses and provide for future population growth.
- v. **High number of Pedestrian Collisions** – There are 3 key pedestrian collision hotspots in the city centre: Castle Street, Westgate Street and Dumfries Place.
- vi. **Dated Pedestrian Facilities and Broken Links** – The quality, connectivity and safety of the pedestrian network is compromised in various locations by poor design features and crossing facilities which fall short of current design standards. To comply with current standards, and to accommodate the additional pedestrian footfall generated by population growth and new development in the city centre, these facilities need to be replaced and upgraded.
- vii. **Congestion** – Through traffic and vehicles accessing the public car parks are both contributing to congestion hotspots resulting in concentrations of poor air quality levels.
- viii. **Population Growth** – The population of Cardiff is growing faster than any other city outside of London. This is adding pressure on the transport network.
- ix. **Development** – Key developments inside and around the Enterprise Zone, such as Central Square, Central Quay and development of key stations as part of the Metro will put added pressure on the network.

Procurement Method

- 14. A mini-competition tender has been undertaken for the works via via Lot 9 (£5m-£10m) of the South East Wales Highways Framework under an NEC4 Option C Target Cost Contract with Activity Schedule. The following contractors were invited to tender over an 8 week period:
 - Alun Griffiths (Contractors) Ltd
 - Knights Brown
 - Centregreat
 - Walters
 - Jones Brothers (Ruthin)
- 15. A cost share percentage range, is associated with the Contract that incentivises the contractor to remain on budget. Any overspend will be shared on a percentage basis. The share percentages have been set to best promote collaborative working and minimise the risk of overspend.

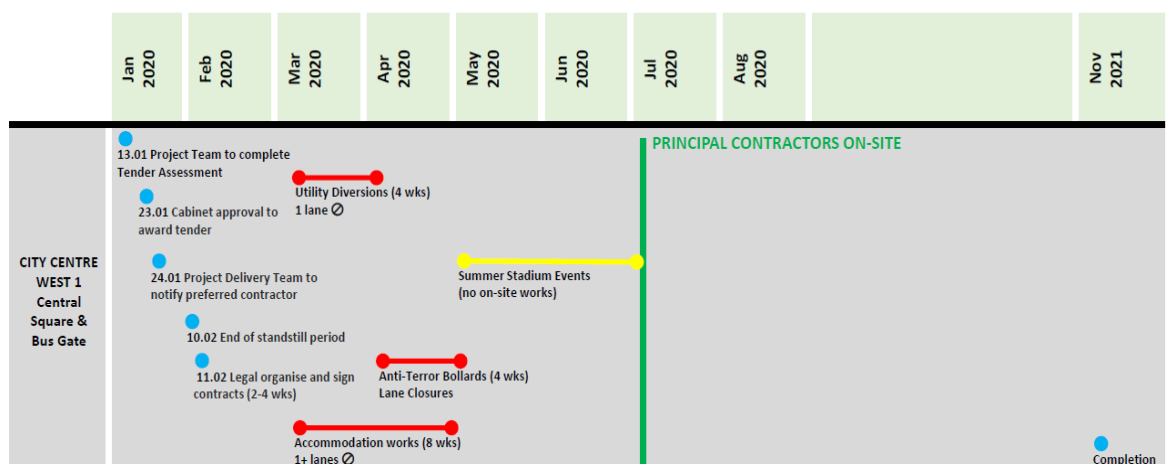
16. The nature of highway infrastructure works mean there remain risks of unforeseen issues with utilities and other underground items. However these risks including a review of lessons learnt on previous schemes have been mitigated with a comprehensive survey schedule undertaken and engagement process with utility companies in advance. This has included:
- i. A full radar survey of the area to create a comprehensive picture of the utility landscape. This enabled the team to design around current utility locations, and minimise the need for excessive diversions
 - ii. RASWA surveys
 - iii. Trial Digs
 - iv. Alignment and information sharing with the Central Square developers, their designers and their onsite contractors

Tender Award Outcome

17. The tenders have been returned and assessed in accordance with the pre-determined evaluation criteria, that is 50% cost and 50% quality.
18. The contractor deemed to have submitted the most economically advantageous tender is Knights Brown Construction Ltd.

Commencement of Programme

19. On entering into a contract with the recommended tenderer, enabling accommodation works will start in March 2020, with the principal contractor entering site in July 2020 and aiming to complete by November 2021.
20. Accommodation works will consist of utility diversions, the renewal of anti-terror bollards where feasible and general clearance works.
21. The following high level indicative programme applies and will be the subject of a detailed programme following discussions with the contractor:



22. The above is a draft programme and is subject to change, a more detailed programme of works will be available once the contract has been awarded.

Construction Impact Mitigation Measures

23. The following measures will be taken to inform and assist key stakeholders, as well as the wider public:
- i. A dedicated project website containing all information associated with the project:
 - 1. Project background
 - 2. Project maps
 - 3. Project designs
 - 4. Operational plans
 - 5. Dedicated project contact details
 - ii. Communication Plan for each phase of works to include:
 - 1. Newsletters for local residents and businesses
 - 2. Press Releases
 - 3. Website information releases
 - iii. Monthly Stakeholder Meetings with Bus Operators

Funding

24. A number of funding sources are available to meet the costs of the proposed works including:
- Local Transport Fund (LTF) grant for the financial year 2019-20 (City Centre as a whole), this will be used to cover the pre-construction and design costs for the project.
 - Planning obligations receivable as part of the Transport Interchange building and development.
 - Grant following the approval of the Clean Air Plan by Welsh Government.
 - Opportunities will be considered for further WG grant funding bids for Transport funding as well as utilising the Council's own capital programme funding for relevant projects to be undertaken as part of the city centre and wider enabling works.
25. It is estimated that the fees associated with delivering the project (from April 2020 onwards) will be £400,000 over two financial years.

Future Maintenance Costs

26. The contract will provide 2 years maintenance cover on hard infrastructure and 5 years cover on soft landscaping maintenance.

27. Following on from the construction period and the above maintenance periods, it is acknowledged that new infrastructure will cause future maintenance costs. The Project Team are working with all the relevant departments to identify costs and formulate plans for future maintenance and cleansing. This is to ensure that the level of investment proposed across the City Centre can be sustained and maintained. This will need to be a consideration in developing the future Medium Term Financial Plan, along with other Council priorities.

Local Member consultation

28. Local Members have been able to comment on the proposals for the city centre as part of the Clean Air Consultation that ran from April-May 2019.
29. Local Members have been consulted with, and have been given the opportunity to comment on the Traffic Regulation (TRO) process for the project.

Reason for Recommendations

30. The delivery of these highway works are critical to the operation and future success of the Transport Interchange, the implementation of the Clean Air Plan to improve the air quality in the City Centre and the future development of the city centre's transport network as a whole.
31. Recent occupations of key development sites such as the Plot 1, Plot 2, BBC and HMRC require supporting highway infrastructure to connect people to their buildings.
32. A tender award must now take place to ensure a contractor can be on site in financial year 2020-21.

Financial Implications

33. The report requests the entering into a contract for the first phase of works at City Centre West. In accepting the contract, consideration will need to be given to ensure that, subject to high level costing and modelling, sufficient funding is available to complete interlinked works in the City Centre West, North and East as well as other enabling infrastructure improvements on key routes. This is to ensure any statutory obligations placed in the Council in respect to clean air can be met by the Council..
34. With any similar infrastructure works, there is a significant risk of additional costs due to unforeseen items in the ground. Lessons learnt from similar works undertaken previously should be factored into the delivery of this scheme, based on the contract type proposed, this risk is to be shared with the contractor. However as part of this, robust contract management and variation procedures should be put in place to ensure costs are controlled and any required variations are appropriately agreed and documented as part of the contract terms.

35. Funding is available for the works proposed as part of the contract at Central Square from a number of sources including Welsh Government Grant, Planning gain and the Council's own capital funding. Expenditure should be incurred in line with the terms, conditions and timescales set out in any funding approved towards these works and where any materials are to be ordered in advance these should be vested clearly in the name of Cardiff Council.
36. Whilst the report highlights the approach to short term maintenance of the new infrastructure to be created, the works outlined in this report as well as linked works on other City Centre projects and enabling works will have revenue budget implications in terms of cleansing and future maintenance. In order to ensure the new investment is sustained, revenue budgets will either have to be prioritised from other areas of expenditure within existing budgets, or be the subject of a Medium Term Financial Plan allocation of additional revenue funding.

Legal Implications

37. The proposed recommendation is to award the contract for works in relation to the construction of Phase 1 (Central Square) City Centre West Transport Project
38. Legal Services are instructed that the value of the proposed contract is (see Appendix 3) and is being called off under Lot 9 of the South East Wales framework following a mini-competition of providers within the aforementioned Lot 9.
39. Before placing reliance on a third party framework and awarding the call off contract the decision maker should be satisfied that :-
 - a. Cardiff Council was identified in the contract notice (advertising the framework opportunity) as a party entitled to use the framework,
 - b. the procedure set out in the framework agreement for awarding a call-off agreement has been followed (in this case it should be checked that the procedure allows for a mini competition, which is the proposal in this case),
 - c. the works fall within the nature and scope of the works covered by the framework agreement, or lot relied upon,
 - d. the terms and conditions set out in the framework for call-off contracts are used and;
 - e. The term of the framework covers the period of the proposed call off contract or if the term of the contract exceeds the framework term that this is done for value for money reasons and not to circumvent procurement rules. If the term of the call off contract was to materially exceed the framework term this point would require further consideration.
40. In addition to the above the service area should be satisfied that :-
 - a. The prescribed terms and conditions of the call of contract meet the Council's requirements. It should be noted that the key thing to note

in relation to the proposed form of contract (NEC 4 Option C) is that should there be compensation events i.e. variations/changes under the contract (including any items that are designated as client risks, requests for additional works or works not covered by the contract), then the price is likely to increase above the figure set out in this report

- b. the proposals are within budget (or suitable budget provision can be made) and;
 - c. Any other permissions required to carry out the works have been obtained and any required consultations carried out.
41. Legal Services are instructed tenders were evaluated in accordance with the predetermined evaluation criteria and the contract is proposed to be awarded to the most economically advantageous tenderer.
42. **Funding and Best Value:** As well as the obligations under the Public Contracts Regulations 2015 the Directorate must also be satisfied that the proposal represents best value. In addition, Legal Services understand the Services are partially reliant upon third party funding pursuant to S.106 agreements under Planning Legislation as well as grant funding from Welsh Government. The decision maker must be satisfied the proposed way forward complies with the conditions attached to the Third Party agreements and the Welsh Government grant.
43. **Equality and other public duties:** In considering this matter, the decision maker must have regard to the Council's duties under the Equality Act 2010. Pursuant to these legal duties Councils must, in making decisions, have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation, (i) Religion or belief – including lack of belief.
44. It is noted that Equality Impact Assessments is attached as Appendix 4 this report. The decision maker must consider and have due regard to the Equality Impact Assessment prior to making the decisions recommended in the report.
45. In addition any relevant health and safety assessment should also be considered in approving this proposal.
46. The Well-Being of Future Generations (Wales) Act 2015 ("the Act") places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
47. In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in

48. The well-being duty also requires the Council to act in accordance with 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
- a. Look to the long term
 - b. Focus on prevention by understanding the root causes of problems
 - c. Deliver an integrates approach to achieving the 7 national well-being goals
 - d. Work in collaboration with others to find shared sustainable solutions
 - e. Involve people from all sections of the community in the decisions which affect them
49. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>
50. The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Guidance (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.
51. The decision maker must be satisfied that the proposal is within the Policy and Budget Framework, if it is not then the matter must be referred to the Council.
52. All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Council Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances

HR Implications

53. There are no HR implications to this report.

RECOMMENDATIONS

Cabinet is recommended to:

1. note the positive decision from Welsh Government to fully approve the revised Final Clean Air Plan and subsequent funding award of £21.27m.
2. award the Tender for the Phase 1 (Central Square) City Centre West Transport Project to the winning contractor, Knights Brown Construction Ltd.

SENIOR RESPONSIBLE OFFICER	Andrew Gregory Director of Planning, Transport & Environment
	17 January 2020

The following appendices are attached:

Appendix 1 Project Area Map
Appendix 2 Detailed Design
Appendix 3 Tender Evaluation Report (Confidential)
Appendix 4 Equalities Impact Assessment (EQIA)