

**Report to CABINET**

# **Grant Acceptance: City Region Sustainable Transport Settlement (CRSTS) – Manchester Street Viaduct Refurbishment**

**Portfolio Holder:**

Cabinet Member for Neighbourhoods

**Officer Contact:** Nasir Dad, Director of Environment

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**27 February 2023**

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## **Reason for Decision**

Oldham Council has secured additional funding for the refurbishment of Manchester Street Viaduct, via:

- Department for Transport (DfT) City Region Sustainable Transport Settlement (CRSTS)

The purpose of this report is to confirm the value of the grant available to Oldham and notify Cabinet of the intention to bring this additional resource into the transport capital programme to design and undertake refurbishment works to Manchester Street Viaduct.

The report will also outline the steps that Oldham Council will need to take to procure the necessary support to develop and deliver the scheme to budget and programme.

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## Executive Summary

The Greater Manchester CRSTS programme business case was submitted to the Department for Transport (DfT) in September 2021 by Transport for Greater Manchester (TfGM) on behalf of themselves and all 10 GM districts.

Greater Manchester Combined Authority (GMCA) received confirmation of the full CRSTS allocation of £1.07bn for spend across 2022/23-2026/27 on the 1<sup>st</sup> of April 2022.

On the 29 July 2022, the DfT, as the funders of the CRSTS, confirmed the delivery plans and funding allocations to each city region and sent a funding letter to each City Region Mayor.

One scheme included in the delivery plan, is the Strategic Maintenance scheme - Manchester Street Viaduct refurbishment.

This scheme has been developed over the past year and has now secured Strategic Outline Business Case (SOBC) assurance through TfGM processes to move to scheme design and delivery, utilising the now approved DfT CRSTS capital budget.

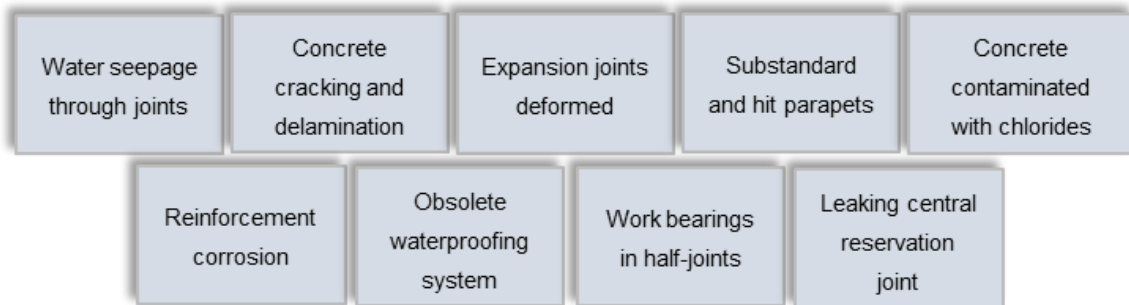
## Recommendations

- That the grant offer of £4.5m from the CRSTS for the refurbishment of Manchester Street Viaduct be accepted. This will contribute to the overall scheme budget of £6.5m (£4.5m CRSTS grant plus £2m local highways maintenance contribution from Oldham's allocation across 2024/25 and 2025/26).
- That the intention to bring the additional resource into the transport capital programme in 2022/23, and profile across subsequent financial years, to complete development of the scheme in the appropriate timescales be noted.
- That the approval to procure and make tender awards relating to the necessary external support required to design and deliver the Manchester Street Viaduct refurbishment scheme (examples listed in the report) be delegated to the Director of Environment.
- That the approval to use part of this resource to appoint temporary agency support within the Highways Team to progress the design and deliver the scheme is accepted.

**Grant Acceptance: City Region Sustainable Transport Settlement (CRSTS) – Manchester Street Viaduct Refurbishment**

**1 Background**

- 1.1 The Manchester Street viaduct is located at the A62 Oldham Way/Manchester Street roundabout close to Oldham Town Centre. It carries high volumes of traffic and separates the key road network from the local road network and key pedestrian, cyclist and Metrolink routes, which link Manchester to Oldham and Rochdale.
- 1.2 The viaduct was constructed in the late 1970's and is in a poor and deteriorating condition. It is in need of repair and improvement to extend its design life, keep Oldham Way open and maintain the resilience and efficiency of the existing highway network.
- 1.3 A recent Principal Inspection and feasibility study commissioned in July 2019 found a number of defects to be present or suspected to be present along the Manchester Street Viaduct section of the route, these include:



- 1.4 Typically, the design working life of this type of structure is 120 years with elements such as bearings, waterproofing and expansion joints replaced every 20 to 30 years. To meet the design working life, interventions and remedial works are required throughout the life of a structure. Since construction of the viaduct, no remedial works to halt deterioration have been undertaken. This has caused the structure to be in a poor and rapidly deteriorating condition. As a result, frequent safety inspections are being undertaken by Oldham Council to ensure safety of road and tram users. This is a costly exercise with resources being allocated to undertake inspections instead of being invested in other parts of Oldham. Additionally, any delays to the remedial works result in a worsened condition and more costly repairs being required.
- 1.5 Since the 2019 inspection, the viaduct's condition has continued to deteriorate and emergency works were undertaken in the past 15 months to remove some delaminated concrete from the underside of the structure. Oldham Council has now commissioned a further special inspection project to investigate and determine the extent of the issues. However, the structure is in urgent need of repair and the severity of the defects means that the viaduct is at significant risk of closure and / or unplanned/emergency works.
- 1.6 Any introduction of traffic restrictions along Oldham Way or closure would cause large-scale disruption to the traffic and public transport networks across Oldham and northeast Greater Manchester. This would have a huge impact on the local transport network and access to central Oldham. It would also have a disproportionate impact on more deprived parts of Oldham, affecting access to local services and employment opportunities.

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- 1.7 The Portfolio Holder for Neighbourhoods was briefed on the Manchester Street Viaduct Refurbishment Scheme in December 2022. This was prior to the SOBC being submitted to TfGM for approval and the CRSTS funding being confirmed.

## 2 Current Position

### Next Steps

- 2.1 In-line with the Governance and Assurance requirements approved at GMCA on 30 September 2022, the SOBC for the scheme was endorsed by the GM Highways Group on 14 December 2022 and, therefore, GMCA has been requested to approve the drawdown of £4.5m of CRSTS funding to deliver the scheme. This will contribute to the overall scheme budget of £6.5m (£4.5m CRSTS grant plus £2m local highways maintenance contribution from Oldham's allocation across 2024/25 and 2025/26).
- 2.2 As the Manchester Street Viaduct Refurbishment scheme is a Strategic Maintenance scheme, there is no requirement to return to GMCA at Final Business Case stage. The scheme will be subject to annual spend/forecast updates provided by Oldham Council to TfGM.
- 2.3 The next steps include:
- The approval goes through GMCA on 27 January 2023.
  - Oldham Council accept the grant offer of £4.5m to deliver the Manchester Street Viaduct refurbishment scheme.
  - Oldham Council bring the additional resource into the transport capital programme in 2022/23 and programme across subsequent financial years, and commence design development for the scheme.
  - Completion of design development in 2024/25.
  - Construction of the Manchester Street Viaduct Refurbishment works in 2025/26.
  - Monitoring and Evaluation Plus 1 Year Assessment completed in 2027/28.

### External Support

- 2.4 The £4.5m ask prepared by Oldham Council to TfGM for the Manchester Street Viaduct Refurbishment scheme includes the following:
- Officer time on developing the scheme, consultation and engagement with Members and stakeholders, communications, finance, legal and procurement input.
  - Structural investigations, testing, assessment and reporting.
  - Procurement and commissioning of design consultants and Early Supply Chain Involvement (ESI) contractor.
  - Surveys, site investigations and Traffic Management proposals.
  - Preliminary design development of refurbishment works.
  - Detailed design of refurbishment works.
  - Procurement of main works contractor.
  - Construction of refurbishment works.
  - Oldham Council site supervision.
  - Monitoring and evaluation reporting.

### Procurement Strategy

- 2.5 The following section provides an overview of the emerging procurement strategy for the provision of professional services and construction to support the delivery of the viaduct

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refurbishment. The process will be run in accordance with the council's procurement procedures and will appoint suitable suppliers to support the design, preparation, and construction of the scheme. It is proposed that the approval for any procurement activity, including the award of contracts for any of these works will be delegated to the Director of Environment. This will ensure procurement and delivery in a timely manner.

2.6 The following will be procured during the scheme:

- **Development (pre-construction)** – A mini-competition will be used to procure a design consultant via the TfGM TPS 2021 Framework 'Lot 7 - Sub-Lot M: Structural and Civil Engineering' or full tender process in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. The value of the design consultant contract will be up to £700,000. The framework Non NEC3 Order Form and Call Off T&Cs will be used.
- **An ESI contractor** will be procured either by a mini-competition via Lot 12/Lot 20 – Construction and Highways Works & Services Framework, North West Contractor Framework or via a full tender process in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. The value of the ESI contract will be up to £300,000. NEC3 Option A or Option B or Oldham Council's standard T&Cs will be used; and
- **Delivery (construction)** – North West Contractor Framework or similar third party frameworks will be used to procure contractor to carry out the main works. If the current frameworks are not deemed suitable then a full tender process will be followed in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. The value of the main works contract will be up to £5.5m. NEC 3 or NEC 4: Engineering Construction Contract (ECC) Option A or Option B will be used.

#### Additional Highways Resource

2.7 In addition to the procurement strategy outlined above, there may also be a need to appoint temporary agency support within the Highways Team to progress and deliver the scheme.

2.8 An element of the £4.5m funding for Oldham will be set aside for staff time for all the necessary resources to progress the scheme, including input from a wide range of Council colleagues.

2.9 This identified budget will support the request to appoint additional agency members of staff via a recognised framework to progress the design and deliver the scheme.

### 3 **Options/Alternatives**

3.1 There are two options:

#### Option 1: Undertake works that will extend the life of the structure and retain the essential link

- That the grant offer from the CRSTS for Manchester Street Viaduct Refurbishment, be accepted.
- That approval for all procurement activity and tender award decisions relating to the necessary external support required to the scheme (examples listed in the report) be delegated to the Director of Environment.
- That approval to use part of this resource to appoint temporary agency support within the Highways Team to progress the scheme be granted.

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Option 2: Refuse the grant – leads to the eventual closure of the bypass with severe consequences to Oldham and the surrounding area

- That the grant offer from the CRSTS for Manchester Street Viaduct Refurbishment, is not accepted.
- That approval for all procurement activity and tender award decisions relating to the necessary external support required to the scheme (examples listed in the report) is not delegated to the Director of Environment.

#### 4 Preferred Option

4.1 'Option 1' is recommended as this will ensure that the scheme is delivered to the appropriate timescales, the life of the structure is extended and the essential link is retained.

4.2 The alternative, 'Option 2' would result in the eventual closure of the bypass with severe consequences to Oldham and the surrounding area.

#### 5 Consultation

5.1 The Portfolio Holder for Neighbourhoods was briefed on the Manchester Street Viaduct Refurbishment Scheme in December 2022. This was prior to the SOBC being submitted to TfGM for approval and the CRSTS funding being confirmed.

5.2 A Stakeholder Engagement Strategy was developed at SOBC. This will be implemented throughout the scheme to ensure key stakeholders are updated at various stages of the scheme.

#### 6 Financial Implications

6.1 6.1 The acceptance of the £4.5m CRSTS Capital Grant funding will enable delivering the refurbishment of the Manchester Street Viaduct, which is detailed in the body of the report. The overall cost of the scheme will need to be contained within the available funding.

6.2 Match funding of £2m will be utilised from the 2025/26 & 2026/27 LTP Highways Maintenance Grant allocations, meaning a total scheme budget of £6.5m is fully funded from external resource.

6.3 On approval of this report, the Councils' 2022/23 to 2026/27 Capital Programmes will be amended to reflect the receipt of the £4.5m additional grant and planned programme of expenditure, as detailed below:

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£k	£k	£k	£k	£k	£k
<b>Total Scheme Expenditure</b>	<b>30</b>	<b>700</b>	<b>1,000</b>	<b>3,250</b>	<b>1,520</b>	<b>6,500</b>
Financing - CRSTS Funding	(30)	(700)	(1,000)	(2,770)	0	(4,500)
Financing - Local Transport Plan	0	0	0	(480)	(1,520)	(2,000)
<b>Total Financing</b>	<b>(30)</b>	<b>(700)</b>	<b>(1,000)</b>	<b>(3,250)</b>	<b>(1,520)</b>	<b>(6,500)</b>

(James Postle)

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## 7 **Legal Services Comments**

- 7.1 Legal Services supports the acceptance of the Grant. The comments in the Report justify the acceptance of the award and comments from procurement colleagues indicate that a well thought-out procurement strategy has been considered and has been proposed in accordance with the Public Procurement Regulations and the Council's own internal Contract Procedure Rules. To air on side of caution and due to the high value of the award any significant grant monies being passed on to third party contractors should undergo a subsidy control analysis in conjunction with procurement and legal colleagues to ensure that they do not breach any of these Rules. (Sukie Kaur – Solicitor)

## 8. **Co-operative Agenda**

- 8.1 The Council is obligated as the Highways Authority to maintain the highway network. Any funding secured for the purpose of highway maintenance is determined and approved centrally, involving Council officers at a senior level and Elected Members, so that schemes meet the Council's statutory duties and wider transport strategy objectives. In the light of decreasing levels of funding, the development of the programme and any bids for external funding reflects a co-operative approach, ensuring where possible schemes meet multiple objectives and complement other capital and revenue programmes such as regeneration. (Guy Parker)

## 9 **Human Resources Comments**

- 9.1 None.

## 10 **Risk Assessments**

- 10.1 The Council if it does not agree to this scheme it will in the future have to fund works out of its own resources potentially without the grant on offer. As such the preferred option as set out in the report seems sensible from a risk perspective (Mark Stenson)

## 11 **IT Implications**

- 11.1 None.

## 12 **Property Implications**

- 12.1 None.

## 13 **Procurement Implications**

- 13.1 For this project it has been suggested that a three-phase procedure be adopted, a Development (Pre-construction) phase value up to £700,000, an ESI contractor be appointed value up to £300,000 and finally the delivery phase (construction) value up to £5,500,000. All these requirements have aggregate contract values above the PCR 2015 threshold values set for services and works on 1<sup>st</sup> January 2022. Part 4G of Oldham Council Contract Procedural Rules state that threshold contract value and above require a fully compliant process in accordance with Chapter 2 Rules on Public Contracts, section 3 Procedures r27 & 33. an appropriate procurement procedure, in compliance with the Procurement Regulations, a fully Open Procedure or the exemption of an existing Framework Call-Off competitions depending on the terms and condition laid down within the framework agreement. On first analysis the proposed procurement procedures for development (pre-construction) and appointment of ESI contractor would offer the

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flexibility to give an opportunity for local regional contractors listed on the frameworks to tender for these contracts. However, if Oldham Council adopts the framework procedure for the Construction Phase that will limit the choice of contractor to those listed on a particular framework. As the proposed project progresses the present and future inflationary environment must be considered when obtaining value for money. When selecting the procurement procedure for the Construction Phase, value £5,500,000, it must be determined which fully compliant procedure will offer best value and flexibility in securing complete tenders for Oldham Council. An Open procedure may well deliver more tender submissions and choice but not necessarily from local regional contractors. The procedures listed in section 2.6 for the planned three phase procurement are compliant with Contract Procedural Rules providing our requirements are in accordance with the terms and conditions of the selected framework and Oldham Council has authorization to utilize these frameworks for the proposed period of the contract. Any permissions required must be sought in advance. (Philip Harper Oliver)

14 **Environmental and Health & Safety Implications**

14.1 None.

15 **Equality, community cohesion and crime implications**

15.1 None.

16 **Equality Impact Assessment Completed?**

16.1 No.

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 ESR-36-22

19 **Background Papers**

19.1 None.

20 **Appendices**

20.1 None.