

Classification:	Decision Type:
Open	Key

Report to:	Cabinet	03 December 2025
Subject:	Northern Gateway, Western Access scheme: Approval of Main Construction Contract to undertake Pre-construction and Construction Stage activities.	
Report of	Report of Leader and Cabinet Member for Strategic Growth	

Summary

- 1. On 12th February 2025, Cabinet approved the appointment of Balfour Beatty Uk Ltd as the Western Access scheme's main construction Contractor to undertake Pre-Construction stage work packages required to progress the Western Access scheme's Outline Business Case (OBC) and develop associated concept designs.
- 2. Cabinet delegated the finalisation and sealing of a Pre-Construction services contract, including appropriate break clauses, together with the final acceptance of a contract sum up to a maximum of £600,000, to the Director of Law and Democratic Services in consultation with the Executive Director of Place and the Council Leader and Cabinet Member for Strategic Growth.
- 3. In line with these Cabinet approvals and to meet the strict timeframes and requirements of the Western Access scheme Investment Zone Grant Funding Agreement that was approved by Cabinet at its November 2024 meeting, an initial Pre-Construction services contract was subsequently finalised and sealed by the Council and Balfour Beatty on 6th May 2025.
- 4. This Pre-Construction services contract covers a series of initial activities to develop the Western Access scheme OBC. These activities fall within Stage 2a of the SCAPE Framework which is the procurement framework through which Balfour Beatty have been appointed by the Council.
- 5. Balfour Beatty has made substantive progress with these initial pre-construction activities to advance the preparation of the scheme OBC. Importantly, these activities have included working with the Council to define and agree the terms and conditions, scope of works and contract price for the Western Access scheme's Main Contract. The Main Contract will supersede the initial Pre-Construction contract and will encompass all the remaining work packages which are required to be completed during the next phases of the Western Access scheme's project lifecycle. In summary these phases are:
- Pre-construction SCAPE Stage 2b (Finalisation of the OBC, Preliminary Designs/ Planning Designs (RIBA 3), Preparation of Planning Application, Undertake comprehensive programme of on/ off site surveys),

- Pre-construction SCAPE Stage 3 (Full Business Case, Detailed Designs/ technical designs (RIBA 4)).
- Construction SCAPE Stage 4 (Construction Delivery (RIBA 5)).
- 6. This report seeks Cabinet's approval to delegate the acceptance of a final contract sum for the next phase of the scheme's Pre-construction stage (Stage 2b as outlined above), and to delegate finalisation of the associated NEC4 ECC Option C X22 Main Contract, including any clarifications, to the Director of Law and Democratic Services in consultation with the Executive Director of Place and the Council Leader and Cabinet Member for Strategic Growth.
- 7. The report seeks Cabinet approval of the recommendations as identified in this report.

Recommendation(s)

- 8. It is recommended that Cabinet:
 - a. Delegate final acceptance of a final contract sum, up to a provisional maximum of £2,830,403 covering the finalisation of the Outline Business Case stage work packages (Stage 2b), to the Director of Law and Democratic Services in consultation with the Executive Director of Place and Director of Finance and the Council Leader and Cabinet Member for Strategic Growth.
 - b. Delegate finalisation of the Main Pre-Construction and Construction Contract (NEC4 ECC Option C X22 contract) including appropriate break clauses, to the Director of Law and Democratic Services in consultation with the Executive Director of Place and the Council Leader and Cabinet Member for Strategic Growth.

Reasons for recommendation(s)

9. Significant progress is now being made to progress the delivery of the Northern Gateway ('Places for Everyone' Joint Development Plan' allocation JPA 1.1), which is the largest designated development site in the Atom Valley Mayoral Development Zone (MDZ) and has been confirmed as one of two Investment Zones within Greater Manchester. In support of this, and in recognition of the scale and opportunity provided by the site, work is ongoing to implement a Mayoral Development Corporation for Northern Gateway, which will support engagement with government departments, public agencies, private sector landowners and developers to drive investment to realise the shared public sector vision for the regeneration of the area, which is a location that has been amongst the most economically deprived in GM and nationally.

- 10. The Western Access scheme (Pilsworth Road Corridor Improvements) is a cross-boundary scheme with Rochdale Council. It will provide the necessary off-site, highway and transportation infrastructure required to access the early development phases of the Northern Gateway Investment Zone (IZ) site (JPA 1.1 allocation). The construction of the Western Access scheme will therefore support the creation of high quality, employment floor space, including space within the advanced manufacturing and foundational sectors. The Northern Gateway Joint Venture submitted an outline planning application (all matters reserved) in April 2025 to both Bury and Rochdale Councils for an area of up to 6.5m sq ft of development on land at JPA 1.1. This outline planning application is currently being determined.
- 11. The Western Access Outline Business Case (OBC) will identify a preferred option for the scheme, produce associated Concept Designs (RIBA 2) and Preliminary Designs (RIBA 3) and an updated scheme budget estimate. Importantly, the OBC will also provide the robust strategic, economic and financial cases for the scheme. In turn this will then provide the firm foundation for the development of the subsequent Full Business Case (FBC), which will confirm detailed designs and costings. The preparation of the OBC (including identification of a preferred scheme option) and FBC will be in line with HM Treasury's 'Green Book' business case procedure, and the associated development of the scheme's planning designs and costings in line with the RIBA 3 planning stage and RIBA 4 detailed design/ technical design stage.
- 12. Investment Zone (IZ) year one revenue grant funding was allocated to the Western Access scheme from 1st April 2024. Following Cabinet's approval of the Grant Funding Agreement (GFA) in November 2024, the year one grant (£800,000) has already been released. In September 2025, the GMCA and Council also signed a Deed of Variation to the original GFA that now releases the Year 2 revenue grant (£500,000) and the advanced payment of the Year 3 revenue grant (£200,000). In addition to the release of the above grant payments to the Council, the GMCA has also confirmed that it will use its own financial capacity to fund the continued predevelopment cost requirements for Western Access in line with the cashflow needs of the project.
- 13. Given there is sufficient budget to cover Stage 2B pre-construction costs to finalise the scheme OBC, there continues to be an urgent need to swiftly and flexibly progress the development of the Western Access scheme in order to meet the challenging grant funding milestone deadlines which are attached to the release of the IZ grant. These GFA milestones include the production and approval of the Western Access scheme's OBC and associated RIBA 3 planning designs during 2026, and thereafter the production of the scheme FBC and RIBA 4 technical designs and costings by early 2027.
- 14. In compliance with the above, an initial pre-construction contract (ECSC) with Balfour Beatty is already in place but the Main Pre-Construction and Construction Contract (NEC4 ECC Option C X22 contract agreement) is now required to be

finalised that will cover the remaining Pre-Construction Stages of the scheme in line with the SCAPE procurement framework requirements.

Alternative options considered and rejected

- 15. That the recommendations are not approved, and the Year 1, Year 2 and Year 3 Investment Zone revenue grant funding totalling £1.5M is not fully utilised, with the funding being reallocated elsewhere in Greater Manchester. This presents a high risk to the delivery of the Places for Everyone joint development plan and specifically, the delivery of the Western Access scheme and the Northern Gateway Investment Zone (JPA1.1 allocation).
- 16. Delaying the approval of the Main Pre-Construction and Construction Contract (NEC4 ECC Option C X22) Contract will delay the finalisation of the Western Access scheme Outline Business Case (OBC), production of associated RIBA 3 planning designs and the preparation and submission of a scheme planning application. Consequently, this will delay the delivery of the Full Business Case (FBC) / RIBA 4 technical design stage during 2026 and thereafter delay the start of the construction delivery (RIBA 5 stage), which under the grant funding requirements should commence by April 2027 and be completed by March 2029. Non-compliance with funding requirements would present a significant risk to the receipt of Investment Zone grant funding.
- 17. Delaying the Western Access scheme OBC, FBC and construction delivery stages will jeopardise the delivery of the early phases of the Northern Gateway site development. The delivery of the Western Access scheme is critical to providing the necessary highway capacity and associated sustainable transportation improvements required to unlock the initial phases of Northern Gateway for a national-scale employment opportunity.
- 18. Delaying the delivery of the Western Access scheme would erode confidence in the Council's ability to deliver a key strategic priority for both Bury Council and its strategic partners, including Rochdale Borough Council, Greater Manchester Combined Authority, Transport for Greater Manchester and National Highways. Delaying the delivery of the Western Access scheme would undermine supporting the delivery of a number of major, corporate strategies and Team Bury initiatives including the Council's 'Let's Do It' Vision and Strategy, Northern Gateway Strategic Development Vision, Atom Valley MDZ Vision and emergent Mayoral Development Corporation, Northern Gateway Development Framework (supplementary planning document), Bury's Economic Strategy, the emergent Greater Manchester Transport Strategy, amongst others.

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Background and Purpose of Report

19. Contract Appointment of the main Construction Contractor:

- 20. At its meeting on 25th September 2024, Cabinet approved the procurement of a contractor utilising Investment Zone revenue grant funding to advance the Northern Gateway site in accordance with the Council's Contract Procedure Rules. As a framework for progressing this procurement, Cabinet also endorsed the Western Access Procurement Strategy.
- 21.On 6th November Cabinet subsequently accepted receipt of the IZ grant funding in line with the Grant Funding Agreement which stipulated that the procurement of a contractor (and its multi-disciplinary team) should occur during November 2024 and a contract (initially covering the scheme's pre-construction stages) to be awarded by February 2025.
- 22. As reported to Cabinet on 12th February 2025, to expedite the Western Access scheme's pre-construction stages to achieve these critical grant funding milestones, the Council investigated a number of contractor procurement frameworks and associated contract mechanisms which are fully compliant with the Public Contract Regulations 2015, and Bury's Corporate Procurement and Contract Procedure Rules, and aligned to the agreed Western Gateway Procurement Strategy. As a result of this procurement exercise, the SCAPE Single Supplier Partner Civils Framework was identified as the preferred route to procurement, with Balfour Beatty UK Ltd being the Tier 1, national civil engineering partner on the framework. Balfour Beatty has a long-established, proven track record in designing and delivering highway and transportation civils schemes like the proposed Western Access improvements and has worked extensively across the Northwest Region for other local authorities and with National Highways.
- 23. A two stage Design & Build contracting arrangement is being followed for the delivery of the Western Access scheme. This contract arrangement is a 'tried and tested' / industry standard mechanism and is one which the Council has successfully utilised on other major construction schemes, including the Levelling Up schemes in Bury and Radcliffe.
- 24. As well as being responsible for the development of the scheme's design, as part of the two stage Design & Build contract procurement, Balfour Beatty is also providing early-stage construction involvement and advice to further inform aspects concerning the scheme's deliverability and buildability. The two stage Design & Build contracting arrangement that covers both the Pre-Construction Stage and

- Construction Stage, secures Balfour Beatty for the full duration of the Western Access project lifecycle.
- 25. On 12th February 2025, Cabinet approved the appointment of Balfour Beatty Uk Ltd as the Western Access scheme's main construction Contractor to undertake Pre-Construction stage work packages required to progress the WA scheme's Outline Business Case (OBC) and associated concept designs.
- 26. Cabinet delegated the finalisation and sealing of a Pre-Construction services contract including appropriate break clauses, together with the final acceptance of a contract sum up to a maximum of £600,000, to the Director of Law and Democratic Services in consultation with the Executive Director of Place and the Council Leader and Cabinet Member for Strategic Growth.
- 27. In line with these Cabinet approvals and in order to adhere to the strict timeframes and requirements of the Western Access scheme Investment. Zone Grant Funding Agreement that was approved at the November 2024 Cabinet meeting, an initial Pre-Construction services contract was subsequently finalised and sealed by the Council on 6th May 2025.
- 28. This Pre-Construction services contract (which is an NEC 4 ECSC Engineering and Construction Short Contract form of agreement) covers a series of initial activities undertaken by Balfour Beatty and which are required to progress the scheme's OBC. These ECSC contract activities are aligned to Stage 2a of the SCAPE Civils Infrastructure Framework. In summary, these initial SCAPE Stage 2a activities cover:
 - Procurement and appointment by Balfour Beatty of its muti-disciplinary team (ie. Design Partner).
 - Traffic junction modelling and scheme optioneering undertaken by Balfour Beatty's Design Partner to identify a preferred Western Access scheme option (Preferred Way Forward).
 - Preparation of Concept Designs (RIBA Stage 2) for a preferred scheme option.
 - Produce a revised Budget based on the preferred scheme option and associated Concept Designs.
 - Pre-application planning consultations with the local planning authorities.
 - Development of the scheme draft Outline Business Case.
 - Identification of survey requirements and production of scoping information to define a comprehensive programme of site survey work.
 - Undertake non-intrusive surveys and walkovers.
 - Develop a detailed scope of services for SCAPE Stage 2b (ie. OBC Finalisation) and Stage 3 (ie. Full Business Case) for inclusion in the Main Pre-Construction and Construction Contract (which will be a NEC4 ECC Option C X22 contract form of agreement), and to define and agree the terms and conditions for this NEC4 ECC Option C X22 contract.

- 29. Since the ECSC contract was finalised and signed in early May, Balfour Beatty has made substantial progress to advance all the above pre-construction activities as required by the ECSC contract. Importantly, this includes work to define and agree both the terms and conditions for the Main Contract (NEC4 ECC Option C X22), and the associated scope and price of services for the next stage of the Preconstruction period which in summary encompasses:
 - SCAPE Stage 2b:
 - Finalisation of the Western Access OBC
 - Preparation of Preliminary Designs (RIBA 3 Planning Designs)
 - Preparation of Western Access scheme Planning Application
 - Undertaking a comprehensive programme of site surveys, including invasive and non-invasive surveys.
- 30. This report seeks Cabinet's approval to delegate the acceptance of a final contract sum covering the above pre-construction stage activities for SCAPE Stage 2b, and to delegate finalisation of the associated Main Contract (NEC4 ECC Option C X22 form of agreement), including any clarifications to the Director of Law and Democratic Services in consultation with the Executive Director of Place and the Council Leader and Cabinet Member for Strategic Growth.
- 31. To minimise the Council's commercial risk, this Main Pre-construction and Construction stage (Design & Build) contract will include break clauses that would allow the Council to terminate the contract without incurring any contract penalties if, in the unlikely event, scheme circumstances were to change (eg. if grant funding was no longer made available in future years), or if for example, the contractor and / or its multi-disciplinary team, were to fail satisfying key performance indicators as specified in the contract particulars.
- 32. An additional mitigation that will further minimise the potential of any commercial risk to the Council, is the use of the NEC4 Option C contract form which has been chosen for the Main Contract. Option C is a risk sharing contract mechanism whereby any cost savings and importantly any potential cost overruns are shared between the Main Contractor and the Council according to pre-agreed proportions as set out in the SCAPE Framework. These pre-agreed proportions favour the Council and, in this regard, Option C acts as a mechanism that incentivises the Main Contractor to avoid any cost overruns for which it will be commercially penalised.
- 33. The scheme's Pre-Construction programme which has been produced by Balfour Beatty currently anticipates that SCAPE Stage 2b work packages to finalise the scheme OBC, prepare the planning/ preliminary (RIBA 3) designs, and prepare the accompanying planning application, will commence January/ February 2026 when the ECSC contract period will end, and be completed by autumn 2026.
- 34. In line with the above, this Cabinet report seeks the delegated approval of the final acceptance of a final contract sum up covering the next stage of the Pre-

- construction period (SCAPE Stage 2b) to a maximum of £2,830,403 covering the finalisation of the OBC / RIBA 3 stage work packages.
- 35. This Cabinet report therefore also seeks the delegated finalisation of the Main Pre-Construction and Construction Contract (NEC4 ECC Option C X22 contract) including appropriate break clauses, to the Director of Law and Democratic Services in consultation with the Executive Director of Place and the Council Leader and Cabinet Member for Strategic Growth.
- 36. The Main Contract (NEC 4 ECC Option C X22) will cover the Preconstruction SCAPE Stage 2b, the subsequent Pre-construction SCAPE Stage 3 (Full Business Case / Detailed Design), and the Construction Delivery Stage (SCAPE Stage 4/RIBA 5) which may include the delivery of any Enabling Works packages if appropriate. This is a major benefit to the Council because it means that only one contract is now required to be in place governing the full project lifecycle, and consequentially, this also means that no further costs will be incurred by the Council to negotiate and agree any further contracts with the Main Contractor.
- 37. A further Cabinet report is anticipated to be presented next financial year when the Stage 2b work packages to finalise the scheme OBC are anticipated to be concluded. That Cabinet report will provide a further update about scheme progress and seek Cabinet's delegated approval to accept a contract sum covering the next stage of the Pre-Construction work which will be to undertake SCAPE Stage 3 work packages to prepare the scheme Full Business Case and associated Detailed / Technical Designs and costings.
- 38. Looking further ahead beyond the Full Business Case stage when all the Pre-Construction scheme stages have been fully concluded, in line with the NEC 4 ECC Option C X22 contract mechanisms, a further Cabinet report will be required. That future Cabinet report which is currently anticipated early 2027 will seek Cabinet's approval to proceed to the Construction Delivery Stage. Specifically, that future report will cover the construction contract award (NEC 4 ECC 'Notice to Proceed') with the Main Contractor and will seek approval of the Contractor's contract sum for the construction delivery stage. In line with the Investment Zone Grant Funding Agreement, it is currently anticipated that the Western Access construction period will commence Spring 2027 with a view to being practically completed by Spring 2029.

Links with the Corporate Priorities:

1. A key part of the *Places for Everyone Plan* is to rebalance the Greater Manchester economy by significantly boosting the economic output from the north through the

delivery of new housing and employment that will benefit both Bury and its residents. The plan sets out strategic site allocations that will guide future growth and development in the Borough. The 'Let's Do It' strategy specifically refers to Places for Everyone as having a key role to play in the delivery of its objectives and priorities, in addition to the Corporate Plan 2024/25 seeks to deliver the Vision for 2030 which is for the Council to Achieve Economic Growth.

2. As Bury's largest employment allocation within the *Places for Everyone Plan*, Northern Gateway (JPA 1.1 Investment Zone site allocation) supports delivery of the Vision 2030 and 'Let's Do It!' to stand out as a place that is achieving faster economic growth than the national average, with lower than national average levels of deprivation through the development of employment space to enable job creation and upskilling of residents, leading to economic growth:

Local – The Western Access scheme will create the necessary highway capacity and transportation improvements (including active travel / public transport) required to unlock the early phase delivery of the Northern Gateway Investment Zone site (JPA 1.1). By providing the catalyst for the development of the site this will support generating jobs for local people, enhancing opportunities for economic regeneration and providing links with existing and new communities.

Enterprise - The Northern Gateway project will drive economic growth and inclusion by creating more employment space for existing businesses to expand into and to encourage more local, national and international businesses to open in the Borough; helping to ensure residents have the best chance to access good jobs.

Together – Ensuring sustainable / multi-modal access into the site to maximise inclusivity and access to opportunities for members of the local community and working with partners to maximise social value opportunities to shape outcomes.

Strength - The Northern Gateway project will provide space for new and expanding local business within a site that is well connected to local communities. This will provide opportunities for community wealth building through new business start-ups, increased local spend and the adoption of new skills whilst providing opportunity for all through provision of sustainable transport modes (multi-modal / active travel, public transport).

Equality Impact and Considerations:

3. The attached Equality Impact Assessment (Appendix 1) concludes that scheme impacts are positive and will continue to be assessed as the project progresses.

Environmental Impact and Considerations:

4. Environmental impacts will continue to be assessed and monitored as project delivery (including environmental surveys and investigations) progresses during the on-going OBC / RIBA 3 planning stage and will be in-line with existing Council policies. The Northern Gateway Development Framework will seek to meet policy requirements, including physical, social and environmental impacts including biodiversity net gain. The development of the Western Access scheme OBC / RIBA 3 planning designs and subsequent FBC / RIBA 4 technical designs will be prepared within this policy context.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Reputational / Stakeholder Confidence in the ability of Bury Council to deliver objectives undermined	 Appointing expert / experienced main Contractor, Design Partner and project delivery team Effective project management structures and Northern Gateway governance in place (inc. developer representatives, National Highways etc) Appropriate contract documentation to be used, including secondary break clauses Effective contract and cost / budget management, including scheme Cash Flow developed and monitored Ongoing proactive approach to risk management Funding, Stakeholder / Communication Strategies developing Appropriate legal and procurement support in place
Delivery Site conditions / utilities — adverse / unforeseen site conditions and utilities requiring diverting / upgrading	 Site investigations, including as part of ongoing OBC development Utility searches On going proactive engagement with utility companies
Design complexity – lack of clarity in objectives and operational requirements	Early review of scheme SOBC (initial Feasibility Stage exercise completed, OBC optioneering undertaken, PWF progressed)

	 On-going, proactive involvement with scheme partners inc. BC, RBC, National Highways, TfGM during pre-construction stages Clear objectives setting (planning, highways / public transport operations, transport modelling, compliance etc) Engagement and consultation
Supplier risk – availability of expert contractor/s; risk of contractor failure	 Agreed Procurement Strategy Public Frameworks utilised to expedite procurement, inc. early contractor involvement, ECSC contract in place Due diligence – transfer design risk to main contractor (Design & Build) Established contract forms utilised, including break clauses Effective contract administration Option C risk sharing and commercial incentivisation mechanism included in the Main Contract
Permissions – delays securing planning, highways approvals	 Early, on-going involvement with BC and RBC planning and highways teams to define requirements (planning applications, s278 agreement etc), agreed determination process. Cross boundary Working Group established. Early, on-going involvement with National Highways (Western Access / M66 J3 interface) Ensure planning strategy aligned with delivery strategy – scope and timing of JV planning application
Funding / Budget Project costs – risk that costs increase above projections	 IZ Grant Funding Agreement and Deed of Variation in place releasing Year 1 – 3 revenue grant funding Scheme estimated costs continually under review (aligned to OBC / RIBA 3 design development / optioneering/ modelling/ sensitivity analysis) Appropriate cost consultancy / cash flow modelling support Appropriate Contingency and Optimism Bias Agreed Procurement Framework rates Funding Strategy under development (including claw back funding mechanisms)

	•	Contract break clauses (including X22 mechanism) in place to minimise commercial risk to the Council
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Legal Implications:

5.1 Relevant procurement advice was sought to appoint the contractor(s). On going legal advice in respect of the terms and conditions and any ancillary matters in relation for the project will be provided.

Financial Implications:

To be completed by the Council's Section 151 Officer.

- 6.1 This Cabinet report seeks delegated approval to accept the final contract sum covering the next stage of the Pre-construction period (SCAPE Stage 2b) to a maximum of £2.83m.
- 6.2 Balfour Beatty have submitted a price for the SCAPE Stage 2b works of £2.83m which is currently being reviewed by the Council's external professional team. The scheme's Pre-Construction programme currently anticipates that SCAPE Stage 2b work will commence during January/February 2026 and will be completed by Autumn 2026/2027.
- 6.3 Investment Zone (IZ) grant funding was allocated to the Western Access scheme from 1st April 2024. The year one (2024/25) revenue grant of £0.800m has already been released. A Deed of Variation to the original Grant Funding Agreement (GFA) has been signed that now releases the 2025/26 revenue grant of £0.500m and the advance payment of the 2026/27 revenue grant of £0.200m. Unlike the Yr 1 grant which was paid up front, the remainder of the grant is payable quarterly in arrears following submission of a grant claim.
- 6.4 The current cashflow for the scheme identifies a shortfall in the remainder of 2025/26 and 2026/27, based on a stage 2b worst case price of £2.83m plus remaining costs associated with stage 2a. GMCA has confirmed that it will use its own financial capacity to fund the continued pre-development cost requirements for Western Access in line with the cashflow needs of the project.

Appendices:

Please list any appended documents.

Appendix 1 – EqlA Adoption of Places for Everyone Plan

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
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ECC	Engineering and Construction Contract (NEC4)
ECSC	Engineering and Construction Short Contract (NEC4)
FBC	Full Business Case
IZ	Investment Zone
JV	Northern Gateway Developer Joint Venture
MDZ	Mayoral Development Zone
NEC4	New Engineering Contract series 4
OBC	Outline Business Case
PfE	Places for Everyone
PSC	Professional Services Contract (NEC)
RIBA Stages	Royal Institute of British Architects (stages of
_	development)
SOBC	Strategic Outline Business Case