

Slough Borough Council

Report To:	Cabinet
Date:	15 th September 2025
Subject:	Destination Farnham Road Contract Award
Lead Member:	Cllr Paul Kelly – Planning, Parking, Highways and Transport
Chief Officer:	Pat Hayes - Executive Director Regeneration, Housing and Environment
Contact Officer:	Matthew Hooper – Director of Environment and Highways
Ward(s):	Farnham, Baylis and Salt Hill and Northborough and Lynch Hill Valley
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	Equality Impact Assessment (EIA) (to follow)

1. Summary and Recommendations

- 1.1. This report aims to seek agreement for the Direct Award of Contract of the Destination Farnham Road scheme construction works.
- 1.2. The delivery of the scheme will drive economic growth by transforming the public realm in and around Farnham Road to deliver a safer, more attractive and more sustainable environment for residents and the many businesses in Farnham Road. The scheme will help to promote local economic stability, create jobs and address challenges in the area such as anti-social behaviour, littering, inconsiderate parking and crime.

2. Recommendations:

Cabinet is recommended to approve the Direct Award of Contract for the Destination Farnham Road construction works to VolkerFitzpatrick to enable the delivery of the works up to a value of £9,000,000.

3. Reason:

- Due to the size of the works contract being above the £1.0m threshold, as set out in the Council's Contract Procedure Rules, Cabinet are required to approve the contract award.
- The Council was awarded £9,292,149 through the Levelling Up Fund Round 2 (LUF2) grant funding by the Department for Transport / Ministry of Housing, Communities and Local Government to deliver strategic transport infrastructure

works to support the development of high-quality places that will enhance the local economy on Farnham Road. The proposed scheme aims to revitalise the Farnham Road (A355) corridor by transforming its public realm, in a way that prioritises walking and cycling, and improves bus priority through signal upgrades and the enforcement of parking restrictions.

- The selected supplier VolkerFitzpatrick submitted a tender price of £7,506,141.12 to deliver the constructions works for the Destination Farnham Road scheme.
- Cabinet are being asked to approve contract expenditure of up to £9,000,000 which is the civil works contract value plus contingency.

Commissioner Review

This report is outside the scope for pre-publication commissioner review; please check the [Commissioners' instruction 5 to CLT to sign off papers](#) for further details.

4.1 Report

4.1.1 In June 2022 officers submitted a bid to the Department for Levelling Up, Housing and Communities for the Destination Farnham Road project and in February 2023 Slough was awarded £9,292,149.00 through the Levelling Up Fund Round 2 (LUF2). The project is to implement strategic transport infrastructure works to support the development of high-quality places that will enhance the local economy.

4.2 Procurement Route

4.2.1 A mini competition was undertaken in May/June 2025 utilising the Crown Commercial Service (CCS) Framework Agreement RM6088, Lot 2.2 for Construction Works and Associated Services (£3 - £10m) to progress the delivery of the Destination Farnham Road scheme.

4.2.2 An Initial engagement with the contractors listed on this framework commenced with an expression of interest exercise, in which two contractors indicated their interest. However, during the tender period, one of the contractors declined and withdrew their interest, due to the timescales, despite the tender return date being extended, and the second contractor did not submit a bid.

4.2.3 As a result, due to the very tight timescales involved, and lack of engagement from the market it is therefore recommended that we undertake a direct award of contract via an established external framework using a competent provider. As such a direct award of contract to VolkerFitzpatrick, who have been recently commissioned to undertake the improvement works for the A4 Cycle Lane scheme, with a known track record, proven expertise and specialised skills in highways projects, particularly within the Berkshire region would greatly reduce the risk of project failure, delays, cost overruns, or quality issues leading to better and successful project outcome.

4.3 Contract Mobilisation

The Farnham Road works will include the following:

- Upgrading and revising the phasing of traffic signals (including consolidating the number of traffic signals along the corridor);
- Install ducting to accommodate refurbishment of pedestrian push button on all main junctions and countdown facilities near the shops to help with safety;

- Installation of new zebra crossings at Northborough Road/Cumberland Avenue;
- Construction of new public realm materials from Gloucester Avenue to Hampshire Avenue;
- Implementation of wider footways for Cafés and other food outlets to facilitate al fresco dining;
- Improvements to bus stops and bus shelters to improve the customer experience;
- Introduction of a 20mph zone between Sheffield Road and Essex Avenue;
- Civil works to enable the delivery of new electric vehicle charging points, and new cycle parking, in the main shopping area between Essex Avenue and Sheffield Road;
- Undertake planting/landscaping works;
- Upgrade of the “Rest Garden” at the junction of Sheffield Road;
- Widened advisory cycle lanes, and further road improvements, along most of Sheffield Road;
- Introduce an off-road segregated cycleway;
- Echelon parking bays to maximise the number of parking spaces;
- Install sustainable drainage;
- Street lighting upgrades.

These measures aim to improve the look and feel of Farnham Road making it a more inviting environment with optimised transport. These improvements will encourage those who work and live in the area to take pride in their community space and support the vitality of the shopping area.

Additional measures including a sustainable drainage system along Farnham Road will be funded by the Sponge City programme and £1.1m funding has been set aside for these measures.

4.4 Funding & Scheme Costs

4.4.1 The total budget for the scheme including the DEFRA Sponge City grant allocation is set out in the table below:

Funding	Amount
DFT-Levelling Up Fund Scheme	9,292,149
Capability Fund	110,000
Slough Match Funding	1,003,421
Total Transport Budget	10,405,570
DEFRA Sponge City allocation	£1,100,000
Total budget for DFR scheme	£11,505,570

4.4.2 The costs of the scheme are set out below:

Activity	Committed costs associated with activity
Design Works	£758,196
Supply & Installation of traffic signals	£942,000
Scheme accommodations work (diversion works)	£273,191.00
Civil Works	£7,506,141
Evaluation & Monitoring	£105,000
Total	£9,584,528
Contingency @ 20%	£1,916,906
Grand Total	£11,501,434

4.4.3 Cabinet are being asked to approve contract expenditure of up to £9,000,000 which is civil works contract value plus contingency.

4.4.4 The primary objective of the Levelling Up 2 Fund is to foster a sense of community, local pride, and belonging by empowering local leaders and communities, improving public services, and increasing productivity in areas that are lagging behind.

4.4.5 The completed scheme will contribute to the realisation of the following strategic local and national objectives:

Local Policies:

- **The Corporate Improvement and Recovery Plan. Corporate Plan 2023-27 (A fresh start)**
 - i. *A borough for children and young people to thrive*; constructing a scheme that supports alternative modes of transport will increase outdoor activity areas, improve levels of physical activity and reduce the negative impacts of transport in the borough.
 - ii. *A town where residents can live healthier, safer and more independent lives*; the implementation of schemes that reduce the reliance on cars and promote sustainable travel will improve air quality thereby encouraging more people to walk and cycle.
 - iii. *A cleaner, healthier and more prosperous Slough*; the scheme will promote sustainable travel and greater levels of physical activity thereby creating a more welcoming environment and improving the local economy.

5. Options considered: -

Option 1: Do nothing Reject Contract Award

5.1 The Do-Nothing option would prevent the council from implementing highway and public realm improvements along Farnham Road and hinder the achievement of the Corporate Plan objectives. Failure to progress the scheme within the grant delivery timeline may lead the project sponsor to reduce or withdraw funding, as the scheme would no longer meet the Department for Transport's (DfT) criteria. Additionally, the council risks incurring substantial abortive costs if this option is chosen. **This option is not recommended.**

Option 2: Rerun the procurement exercise via an open tender process

- 5.2 Given the constrained delivery timeline, initiating a second full procurement process would introduce delays that would render the project non-compliant with the DfT's delivery requirements, thereby placing the allocated grant funding at risk. In addition, a full procurement exercise is not expected to deliver a more beneficial outcome, as procurement has already been attempted through a competitive framework, which resulted in no bids being received. This option is not recommended

Option 3 Direct award to VolkerFitzpatrick - Recommended Option

- 5.3 A direct award of the contract to VolkerFitzpatrick — an experienced contractor with proven expertise in delivering highways projects within the Berkshire County — will support Slough in meeting its objectives for the Destination Farnham Road Levelling Up bid. Utilising a contractor with a demonstrable track record will enhance the quality and effectiveness of the works, resulting in improved project outcomes. This approach also reduces the risk of delays, cost overruns, and quality concerns, while ensuring the scheme is delivered within the required timeframe to meet the grantor's conditions. Furthermore, the successful delivery of these works will contribute to achieving the Council's priorities as outlined in the Corporate Improvement and Recovery Plan 2023-27.

6. Implications of the Recommendation

6.1 Financial implications

- 6.1.1 The Council has been awarded £9,292,149.00 Capital Grant through the Levelling Up Fund Round 2 (LUF2) funding by Department for Transport// Ministry of Housing, Communities and Local Government to introduce works. Additional match funding from grants for the balance of £1.003m has been committed by the Council. The total scheme capital budget is £10.296m.
- 6.1.2 Failure to implement the scheme within the time scales agreed with project sponsor, Department for Transport/Ministry of Housing, Communities and Local Government risks the uncommitted part of the grant funds received of £5,352,547 having to be repaid. To date approximately £0.657m has been spent on designs, consultations surveys and utility work to enable to construction works.
- 6.1.3 The value of the contract award is up to £9m. In finalising the contract value consideration needs to be given to ensuring that the total cost of the project is within the Cabinet approved budget. Any proposed variation to the budget is subject to the Council's governance procedures, including Cabinet approval if required, before expenditure is committed.

6.2 Legal implications

- 6.2.1 Subject to the rules of the CCS framework having been adhered to, a direct award under a compliant framework agreement is a lawful method of procurement.
- 6.2.2 This proposed award complies with the requirements paragraph 8 of the Council's Contract Procedure Rules (set out in the Council's constitution).
- 6.2.3 As noted above, Cabinet approval of the award is required due to the value of the contract.

6.3 Risk management implications

6.3.1 Key risks and mitigations are outlined below:

<i>Description of risk</i>	<i>Risk/Threats/Opportunities</i>	<i>Current Controls</i>	<i>Proposed future controls</i>
Legal - Objection to proposed Traffic Regulation Orders (TRO's) Objection to the temporary and permanent traffic orders by residents.	Likely to cause delay to the scheme and significant changes to the scheme if the objection is not set aside.	Undertake the TRO process as part of the Consultation process for residents to understand the scheme proposals and benefits of the TRO's.	The TRO process has followed the statutory process and is advertised as per requirements of the Road Traffic Regulation Act 1984 – Section 9 and the Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996-Regulation 22.
Impact of inflation on the scheme Project costs due to continued unforeseen circumstances such as increased supply chain costs, exchange rate fluctuation or specification changes.	Financial implications to the Council and the project deliverables	Value Engineering will be undertaken throughout the proposed scheme.	Due to the continuous rise in construction costs, a contingency of 20% has been applied for the construction works. Value Engineering will be undertaken for the proposed scheme.
Traffic congestion and accessibility issues may arise during construction phases, potentially causing significant disruption across the network. Additionally, ineffective traffic management poses further risks, including increased likelihood of accidents, project delays, and inadequate mitigation of traffic flow impacts.	Journey time delays due to construction works of the scheme	Develop and implement a comprehensive traffic management plan in collaboration with the contractor to ensure a coordinated and well-communicated approach.	Advance warning of the scheme works and continuous monitoring of traffic to check if any changes are required. Ensure a clear communications strategy to inform residents, businesses, and stakeholders of works
Funding Constraints	Unforeseen issues such as utility diversion and general delays may impact scheme costs and lead to an overspend	Use of existing network to reduce costs	There is a 20% contingency to manage impacts to the budget, but further value engineering processes will be undertaken during weekly/fortnightly meetings with the contractor and

<i>Description of risk</i>	<i>Risk/Threats/Opportunities</i>	<i>Current Controls</i>	<i>Proposed future controls</i>
			client team. De-scoping of the scheme may also be needed to ensure costs remain within budget envelope.
Company Dissolving:	The risk of the contractor undergoing dissolution, bankruptcy, or significant organisational changes that could affect the contract's continuity	Undertake due diligence before contract award by undertaking financial health checks through reviewing audited financial statements, credit ratings, and company structure. Secure references and performance history by assessing the contractor's past performance and stability on similar projects. Introduce contractual safeguards through termination clauses that include clear termination provisions for insolvency, dissolution, or material organisational changes.	Introduce retention for each phase of the scheme to enable sign off for each phase and release of payments. Option to introduce Parent company guarantee.
Use of Unapproved Material and equipment	Risks associated with the use of non-compliant materials or equipment that do not meet approved specifications, potentially leading to quality issues, safety hazards, operational challenges, or project delays.	Officers to prepare clear specification and approval processes through providing detailed technical specifications for all materials and equipment in the contract documents. Require pre-approval of all materials and equipment before procurement or use on-site. Officers to Implement a robust inspection and testing plan to verify compliance before and after deliver and maintain full documentation and traceability of materials and equipment, including certificates of conformity and test results.	Officers to undertake onsite controls and supervision by ensuring qualified personnel are assigned to verify compliance during delivery, installation, and commissioning. Conduct regular site audits to monitor material and equipment usage against specifications. Obtain warranties or guarantees on the performance and compliance of key materials and equipment.

6.4 Environmental implications

- 6.4.1 In its recently published strategies, the government set out its vision for a Net Zero Transport system which will benefit all. Public transport and active travel will be the natural first choice for daily activities; cars used less and residents able to rely on a convenient, cost-effective and coherent public transport network.
- 6.4.2 The Council's ambitions are described in key corporate strategies including the 2040 Vision and Climate Change Strategies with their key principles upheld through delivery of measures such as improved cycling and walking transport links and improved public realm.
- 6.4.3 The scheme will help create attractive, accessible and liveable places that contribute to better health and wellbeing and provide the conditions for sustainable, inclusive and resilient economic growth, including enabling regeneration and redevelopment.

6.5 Equality implications

- 6.5.1 An EIA has been completed for the construction works

6.6 Procurement implications

- 6.6.1 The Direct Award of Contract option to VolkerFitzpatrick via the CCS Framework has been selected for the following reasons:

- The proposed direct award would ensure that Slough Borough Council delivers the scheme within the agreed budget and timescales agreed by the Department for Transport / Ministry of Housing, Communities and Local Government. Thereby enabling the Council to retain and use the funding streams allocated to complete these works
- They have successfully undertaken maintenance works and major schemes in Slough previously. As such a direct award of contract to them with a known track record, proven expertise and specialised skills in highways projects, particularly within the borough would greatly reduce the risk of project delays, cost overruns, or quality issues leading to better project outcomes.
- VolkerFitzpatrick have been approached with this opportunity and have confirmed that they have the capacity to undertake these works, and they have also confirmed that they are able to complete this contract within the timescales.
- An indicative cost has been received from them which is well within the approved budget for these works. This has been provided with the understanding that a full breakdown will be supplied as part of a formal proposal from them.
- It is proposed that a stringent contract management regime is agreed and implemented by a designated Contract Management Team/Manager from the Council to ensure that that key milestones are met, the budget is maintained and the contract is completed to programme.

6.7 Workforce implications

- 6.7.1 None

6.8 Property implications

6.8.1 Officers have designed options that are likely to be adjacent to assets that the council is disposing of as part of its Asset Disposal Strategy, but it is not anticipated that the scheme will impact the value of these sales.

7. Background Papers

None