

REPORT TO: Executive Board

DATE: 15 September 2016

REPORTING OFFICER: Strategic Director – Enterprise, Community & Resources

PORTFOLIO: Transportation

SUBJECT: Mersey Gateway Bridge Project – Progress Update

WARDS: All

1.0 PURPOSE OF THE REPORT

1.1 To provide an update on progress with the Mersey Gateway Bridge Project (the Project) and the performance of the Mersey Gateway Crossings Board Limited (the MGCB) for the period January to June 2016, against the criteria set out in the MGCB Governance Agreement.

2.0 RECOMMENDATION: That

- 1) progress with the Mersey Gateway Project as set out in the report, be noted; and**
- 2) performance of the MGCB Ltd in monitoring the Project Company's (MER) performance as set out in the report, be noted.**

3.0 SUPPORTING INFORMATION

3.1 Background

3.1.2 The MGCB is a special purpose vehicle established by Halton Borough Council (the Council) with the delegated authority to deliver the Project and to administer and oversee the construction, maintenance and tolling of the new crossing including the tolling of the existing Silver Jubilee Bridge (SJB).

3.1.3 The MGCB's terms of reference and delegated authority are expressed in a Governance Agreement with the Council, set to last for sixty years. The MGCB is commissioned to deliver the Project on behalf of the Council and operate as a commercial (though not-for-profit) organisation on an arm's length basis.

3.1.4 The MGCB is working closely with MER on a day to day basis to ensure that all aspects of their policies are adhered to ranging from PR and Communications, environment, traffic management to local employment and skills.

3.2 Construction Progress (Construction sections shown in Appendix 1)

3.2.1 Summary of recent events:

Main Crossing approaches:

- All piers are complete for the North Approach Viaduct (NAV) except for pier head at P10.
- Pier construction for the South Approach Viaduct (SAV) is ongoing including piers P17 and P18 adjacent to the Manchester Ship Canal.
- The Mobile Scaffold System (MSS) box section of the NAV deck has been completed up to span 6 of the total 11 spans.
- Completion of NAV deck slab infill sections is ongoing independent of MSS works.
- Assembly of the NAV wing traveller is complete and construction of the deck cantilevers is continuing within span 1.
- Preassembly works for the second MSS for the SAV is ongoing with first launch (to span P19-P18) expected early September 2016.

Main Crossing Cable Stayed Bridge:

- Hammerheads of South and North Pylon have been completed.
- Pier table in the Central Pylon has been completed.
- South Upper Pylon has been completed up to 14th lift (approx. 82% of total pylon height)
- North Upper Pylon has been completed up to the 13th lift (approx. 72% of total pylon height).
- Construction of the deck starter segments, at the South and North Pylons is ongoing.

Landside works:

- Section 1
 - Complete construction of deck for new Ditton Junction Bridge;
 - Continue highway and utilities works at and adjacent to Ditton Junction including 2300 sewer and Mersey Valley Sludge Pumped (MVSP) diversions;
 - Demolish existing Ditton Junction bridges and divert all SJB traffic through roundabout;
 - Complete removal of highway embankment at Ditton Junction;

- Section 2
 - Complete remediation of contaminated ground and removal and disposal of contaminated ground at the former Sammy Evans and Fallon's scrapyards;
 - Strengthening of ground under embankment near bridges through Soil Mixing techniques on-going;
 - Removal of existing Watkinson Way South carriageway and embankment on-going;
 - Construction of deck and supports (including foundations in former Royal Café area) for Widnes and Victoria Viaduct ongoing;
 - Construction of new highway embankment at Gussion site and between Widnes and Victoria Viaduct and the NAV on-going.

- Section 4
 - Pier column construction for Astmoor and Bridgewater Viaduct ongoing;
 - Erection of temporary propping and landing of deck beams for Astmoor and Bridgewater Viaduct ongoing;
 - Construction of deck for Astmoor and Bridgewater Viaduct ongoing;
 - New highway construction works at Bridgewater Junction ongoing.

- Sections 5, 6 & 7
 - Continue renovation and modification of existing expressway bridges;
 - Continue new highway construction works at Lodge Lane Junction under total closure of Central Expressway;
 - Erect new Lodge Lane North footbridge and reopen new northbound link from Weston Point Junction to Central Expressway;
 - Complete demolition of existing Lodge Lane Junction bridge;
 - Continue highway construction works at Weston Point Junction;

- Section 8
 - Complete highway construction works at M56 Junction 12 north roundabout, including commissioning installation of new traffic signals installation;
 - New highway construction works on Weston Point Expressway north of the new M56 Junction 12 north roundabout ongoing.

3.2.2 Given the scale and nature of the Project, from time-to-time it is necessary to modify the planned methods of construction. In particular, the variable ground conditions encountered and challenging tidal effects in the estuary have led to revisions and adaptations to the techniques and working practices. This can be clearly seen in the different methodology used in the construction of the Central Pylon Cofferdam compared to that of the North and South Pylon Cofferdams

and the procurement and construction of a second MSS. Merseylink also introduced additional resources and increased working hours following consultation with the appropriate regulators.

3.2.3 PR and communications is vital to ensure drivers in and around Halton are aware of traffic management changes. The Project website is a vital tool used to communicate changes and utilises innovative interactive maps which highlight works across the Project route. Weekly traffic updates are issued to local press and in instances of works which may cause significant change or disruption, specific detailed press releases are issued along with letters to affected residents and, where appropriate, public meetings are conducted.

3.2.4 MER uses dedicated computer software called Freshdesk to electronically capture all complaints and enquiries. MER must respond to all such complaints within 10 working days or must be formally acknowledged if a full response is expected to take longer to answer. The MGCB monitors compliance of this on a monthly basis.

3.2.5 The Project remains on programme for the main bridge and approach roads to be commissioned and trafficked in autumn 2017, as set out in the Project Agreement.

3.3 Compensation Event¹ – Specifically defined in the Project Agreement and Demand Management Participation Agreement.

3.3.1 None to report at this stage.

3.4 Relief Event² – Specifically defined in Project Agreement and Demand Management Participation Agreement.

3.4.1 None to report at this stage.

3.5 Health and Safety

3.5.1 MER acknowledges the importance of Health and Safety (H&S). It is a key Project priority and acts as a key driver in their site inductions for new starters and visitors. To date, **3,989** workplace safety inductions have taken place with attendees including site workers, consultants and sub-contractors. MER has also introduced random on site drug and alcohol testing. Those with positive test results are dealt with by the Health and Safety manager in line with MER's Drug and Alcohol policy.

3.5.2 As an exemplar of good practice, on returning to work following the 2 week 2015 Christmas close down, all MER employees, attended a

¹ A breach by the Board/Council of its obligations (could result in financial penalty)

² Failure by any Statutory Undertaker, Utility Company or Local Authority or other like body to carry out the works or provide services (could provide Merseylink with vindication for failures under the contract)

'Return to Work' seminar, known as Safety Stand Downs (SSD) to remind staff of the importance of H&S awareness at work.

- 3.5.3 MER has held a number of SSD presentations. These were split by Main Bridge and Landside so that each main work area could focus on their specific safety issues. Main Bridge SSDs were attended by a total of **400** staff and Landside SSDs were attended by a total of **415** staff.
- 3.5.4 From the start of the Project to June 2016 figures show **140** accident book entries with no notifiable events and no major injuries. Number of near misses and learning events³ reported to date is **86**. There has been only 2 RIDDOR⁴ incidents following which HSE reports were completed with preventative measures identified. Both of these incidents were service (underground cable) strikes and resulted in a 'Permit to Dig Authoriser' being recruited. Furthermore changes were made to the site working procedures. Since implementation there have only been very minor underground service difficulties.
- 3.5.5 The MGCB's most recent H&S Audit took place on 6th March. The audit focussed on compliance with the MER H&S procedures and the associated records. A site visit/inspection was also conducted.
- 3.5.6 Compliance with the H&S procedures was, in the main, confirmed and the site inspection showed good controls in place to manage H&S on the site in the area visited (being Section 4). Some improvements with respect to fire and first aid do need to be implemented.
- 3.5.7 The MGCB had scheduled the next H&S Audit for July 2016 and the findings will be included in the Executive Board Report for the period July to December 2016.

3.6 Key Performance Indicators (KPI)

- 3.6.1 In general the MGCB does not measure MER's construction phase performance save for a number of KPI's associated with the PA's Employment and Skills Delivery Plan.
- 3.6.2 Throughout the lifetime of the Project, the majority of KPI's are associated with the Demand Participation Agreement (DMPA) which is being delivered through the Project's operational phase by Emovis (DMPA Co, formerly Sanef).
- 3.6.3 The KPIs are set out in Schedule 1 of the agreement and will be used to determine the performance of the Revenue Collection Services and any additional measures specified in the Roadside Tolling Equipment Specification. They will also measure Safety Performance.

³ Accidents resulting in the over-seven-day incapacitation of a worker

⁴ Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)

- 3.6.4 MER is required to report data in connection with current national indicators during the contract period and these are known as Statutory Authority Performance Indicators.
- 3.6.5 Although not monitored as a KPI, the MER Monthly Progress report, submitted to the MGCB, is an effective method of monitoring progress as the report incorporates Design and Construction, Service, Management, Monthly Payment and Data Reports. Also included in the Monthly Report are all accidents, incidents, enquires, complaints and traffic management data. This report is monitored by the MGCB and issues requiring further consideration are logged in the minutes of the Monthly Progress meeting.
- 3.6.6 There are currently **825** people working on the Project across sites in Runcorn and Widnes. They include **34** people engaged by the MGCB, **251** people employed by the three partners (Kier, Samsung, FCC) in the MER construction joint venture (CJV) including **105** people recruited directly for the Project and **503** people supplied by labour suppliers or sub-contractors working on different elements of work across the site.
- 3.6.7 MER's Time Bank scheme, which aims to help local groups and organisations by providing professional services for community projects, has saved the local community approximately £100,000 having supplied consultation, labour and other services to around 25 successful applicants.
- 3.6.8 The Mersey Gateway Visitors Centre in Widnes at the Catalyst Science and Discovery Centre opened in February 2015 and so far has had **9,510** visitors. The Mersey Gateway Information Centre in Runcorn opened in February 2016 and so far has had **3,165** visitors.

3.7 Risk

- 3.7.1 Current progress on the actions and risks accepted by the Council and the MGCB at Financial Close is as follows:
- The procurement of the necessary enforcement powers for the collection of tolls on the new bridge and on the SJB. The period for representations to the Secretary of State (SoS) closed on 14th May 2015 by which time three objections had been received. All three were from individuals who reside in Halton and none related directly to the content of the proposed Modification Order placed before the SoS but rather to imposition of tolls. An attempt to provide the objectors with sufficient comfort to withdraw their objections proved to be unsuccessful. The SoS made a decision on how to proceed with the application on 11 June 2015. The SoS decided that this would be by written representation. The Council would submit representations relating to all three objections by 9 July 2015: they

were delivered to the SoS on 26 June 2015. The SoS forwarded these to the objectors on 30 June 2015. By the required date of 21 July 2015 the SoS received only 1 communication from an objector which did not require further response from the MGCB.

Update: The Modification Order was approved by DfT at the end of May. However, as the provisions of the Modification Order include a new “Power of Entry”, approval by Home Office Ministers is now required. This is a provision to the effect that, if there is no Road User Charging Scheme in place and Halton reverts to using the tolling powers in the 2011 Order, some of the enforcement powers relating to road user charging including a power to enter vehicles would be available. DLA provided DfT with the “Powers of Entry Gateway” forms on 2 June and they have been passed to the Home Office. The Home Office is currently processing the approval following which DfT will arrange for a notice of making if the Order to be published in the London Gazette and the MGCB will arrange for publication in a local newspaper.

- Bye-laws – An initial draft of the byelaws has been agreed with Merseylink and the Council’s legal team. Therefore, following advice from DfT, the MGCB has carried out an informal consultation with a small number of key third parties. This process will close at the end of July and to date the MGCB has received feedback from Cheshire Police, Cheshire Fire and Rescue and HBC Highways. The draft byelaws will be updated to reflect third party comments and the revised byelaws will be sent to the Council’s legal team and DfT for approval. The MGCB is also compiling a report for Council.

3.7.2 Risk Register

3.7.2.1 The MGCB has developed a comprehensive Risk Register to identify those risks associated with the Project, to ensure that the retained and contractual risks are effectively managed and any potential impact is mitigated.

3.7.2.2 The Risk Register is a standing item on the agenda of both the MGCB’s Audit Committee, whose membership includes the Council’s Head of Internal Audit, and the monthly Board of Directors meeting, whose membership includes Cllr Polhill and Cllr Wharton as the duly appointed Council Non-executive Directors.

3.7.2.3 As reported to full Council (Dec 2013) under the Project Agreement MER take the risk of any cost or programme overrun but the Council is exposed to some cost risk during construction (specifically associated with sharing the cost of dealing with contamination in exceptional circumstances). The DMPA Co is responsible for the collection risk associated with the tolls.

3.7.2.4 The principle risk retained by the Council and DfT relates to toll revenue which is a function of the toll charge and the volume of traffic using the bridges.

3.7.2.5 Although appearing numerous, the risks identified in the Risk Register predominately relate to contractual risks associated with any major infrastructure project.

3.7.2.6 The Risk Register is available for inspection by Members at the MGCB's offices.

3.8 Business Plan

3.8.1 Under the Governance Agreement there is a requirement for the MGCB to produce an Annual Business Plan, the requirements of this plan predominately relate to the Project during the operational period.

3.8.2 The MGCB has produced and supplied to the Council a business plan which is more suited to the operations of the MGCB during the construction period.

3.8.3 The Business Plan is available for inspection by Members at the MGCB's offices.

4.0 POLICY IMPLICATIONS

4.1 The Project is a key priority for the Council which will deliver benefits locally and across the wider region.

5.0 FINANCIAL IMPLICATIONS

5.1 All substantive implications are reported in the Mersey Gateway Financial Reports to the MGCB.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

6.1.2 The Project provides an opportunity to improve accessibility to services, education and employment for all.

6.2 Employment, Learning and Skills in Halton

6.2.1 Over **800** jobs have been created for the Project so far and the Project ensures the local community continues to have access to all job opportunities through the Employment and Skills Working Group. In the longer term, several thousand jobs are forecast to be created in the sub-region due to the wider economic impact of the Project.

6.3 A Healthy Halton

6.3.1 The Project provides an opportunity to improve accessibility to services, education and employment for all, including improved cycling and walking facilities.

6.3.2 Improve local air quality and enhance the general urban environment.

6.4 A Safer Halton

6.4.1 The Project will provide much needed environmental improvements to the immediate areas. Removal of cross river congestion will enhance response times for emergency services.

6.4.2 The new crossing will improve safety and reduce the cost of accidents currently found with the high collision SJB route by up to £39 million. The narrow lane widths of 3.05m on the SJB will be redesigned to deal with local traffic, and offer new routes for cyclists, pedestrians and those using public transport.

6.5 Halton's Urban Renewal

6.5.1 The Project is a priority project in the Urban Renewal Programme.

7.0 RISK ANALYSIS

7.1 The Project structure supported by the proposed delegation and decision authority will reduce the risk of delay and improve the quality of the Project control.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The Project provides an opportunity to improve accessibility to services, education and employment for all.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 None under the meaning of the Act.

Appendix 1 - Construction sections

