

**REPORT TO:** Council  
**DATE:** 18<sup>th</sup> July 2007  
**REPORTING OFFICER:** Chief Executive  
**SUBJECT:** Mersey Gateway Bridge Project – Progress Report  
**WARDS:** All

### **1.0 PURPOSE OF THE REPORT**

1.1 This report provides to Council details of the progress made in the delivery of Mersey Gateway Bridge Project (“Mersey Gateway”).

### **2.0 RECOMMENDATION:**

That Council

- 1) notes the progress made towards delivering the Mersey Gateway Bridge;
- 2) accepts that the financial case for Mersey Gateway Bridge can only be met through a tolling regime that encompasses both bridges, as without tolling the project is not deliverable; and
- 3) seeks to maximise toll discounts for local residents and frequent users.

### **3.0 PROGRESS REPORT**

#### **3.1 Delivery Resources**

The project team resources have been extended with the appointment of GVA Grimley, as planning consultants, and DTW as public relation consultants. Discussions with the Department for Transport (DfT), aimed at putting in place project management best practice, resulted in an Officer Project Board being established, chaired by the Council Chief Executive and accountable for the administration of the project.

#### **3.2 Legal advisors**

In February, the Council Executive Board Sub Committee agreed to appoint DLA Piper as the new legal advisors for Mersey Gateway.

### 3.3 Liaison with Department for Transport

Two further quarterly progress meetings with the DfT have taken place since the last meeting of Mersey Gateway Executive Board in October 2006. The substantive issues covered in these meetings are addressed in Section 4 below.

## 4.0 PROJECT DELIVERY

4.1 The principle short term deliverables that have been achieved since Programme Entry (March 2006) are :-

i) Draft Reference Design

The draft Reference Design for the Mersey Gateway preferred route (Route 3A) has been completed in sufficient detail to support public consultation .The Reference Design includes proposals for adjusting the approach roads to Silver Jubilee Bridge (SJB) and is supported by the first phase of a public transport study. The response to public consultation will assist in refining the draft Reference Design prior to confirming the scheme to be submitted for planning approval early in 2008.

ii) Mersey Gateway Public Consultation

The Executive Board of 8<sup>th</sup> April 2003 approved the route known as 3A to be the preferred option for the route of the Mersey Gateway. This route was subsequently taken forward in the Major Scheme Appraisal that was submitted to the Department for Transport (DfT). Following this, in March 2006 the Mersey Gateway was granted entry into the DfT's Major Schemes Programme. Since programme entry, considerable work has taken place and a draft scheme layout is currently out for public consultation. This scheme layout is known as the Reference Design and for the first time includes draft proposals for adjusting Silver Jubilee Bridge, called SJB de-linking.

The public consultation will continue for period of three months and will involve:

- The notification of all directly affected landowners;
- The provision of a scheme consultation leaflet (draft attached at Appendix 1), to all households and business premises in the Borough and;
- A series of exhibitions at various locations during early to mid July 2007.

These consultations will serve a number of purposes. They will:

- Inform the public, institutions and businesses of the Mersey Gateway plans and proposed timetable for delivery;
- Ensure all interested parties are informed directly at the earliest appropriate opportunity of proposals that could directly impact upon them;

- Seek views and opinions on proposals, and to take the views received into account before confirming the scheme to be the subject of a planning application early in 2008;
- Provide an opportunity for the Council to respond to any adverse comments and to assist with mitigating potential objections prior to the formal planning process;
- Seek to build and maintain support for the project amongst its regional stakeholders; and
- Ensure that the project is employing best practice and meeting relevant consultation guidelines at all times.

All respondents to consultation will be able to give their views by a number of different media including questionnaires, e-mail, text and telephone. The consultation period will close on 21<sup>st</sup> September. The results will be collated together with draft recommendations on the Council response to the consultation results, and a report will be presented to the November meeting of the Mersey Gateway Executive Board prior to publication.

In parallel with the consultation proposed for Mersey Gateway, the Council will also be publishing draft proposals for a Regeneration Strategy and Supplementary Planning Documents (SPD) for South Widnes. The Regeneration Strategy and SPD for South Widnes will assist with the integration of the Mersey Gateway scheme into the overall formal planning framework. This consultation is due to start this summer and will involve residents and businesses, particularly in the South Widnes area.

### iii) Project Costs

Revised estimates of project cost have been produced based on the draft Reference Design, supported by a more detailed appraisal of project risk. Overall project costs are stable in real terms, after allowing for inflation. (See Section 5 further.)

### iv) Traffic Model

The new Traffic Model, required to satisfy one of the DfT funding conditions, has been developed up to draft model validation stage. The model is currently undergoing refinement to improve its performance to ensure it reflects the existing travel pattern and behaviour in the study network. Once the model performance compares satisfactorily in the base year, it can be used in a forecasting capacity.

### v) Procurement

DfT has considered our representation to adopt procurement based on an early concessionaire appointment, but their officers have given a strong message that

this procurement approach would be much more controversial than taking forward conventional PFI procurement. The project team is now preparing to adopt a conventional PFI procurement strategy and the forward plan reflects this approach.

vi) Project Management

The Council responded to the Secretary of State's announcement on 29<sup>th</sup> March 2006 by establishing a dedicated project team charged with the delivery of the project. To meet the project programme and budget, it is essential that the project team, via the Project Director, has access to speedy decision-taking authority. The initial governance arrangements established the Mersey Gateway Executive Board (MGEB) with the intention of it meeting at monthly intervals to deal with the emerging project issues. Experience with these initial arrangements called for a more streamlined decision taking structure with clear delegation given to officers.

The proposed Officer Project Board (OPB) will improve access to decision-taking authority, exercised within the limits of delegation given by the Council. The OPB has been trialled in recent months, chaired by the Chief Executive with the Strategic Director – Environment as the senior internal service customer for Mersey Gateway.

The OPB benefits from varied senior officer support, including the Mersey Gateway Project Director.

The MGEB formally establish the OPB at its last meeting enabling the OPB to work under a Scheme of Delegation, which has streamlined decision-taking and enabled the MGEB to meet less frequently.

Members will continue to be advised of progress through the Council's formal committee structures, Members Bulletin and the Leaders Briefing.

The Mersey Crossing Group will continue to provide an important opportunity to engage with the Councils partners.

An external Advisory Board consisting of private sector partners has also been established to bring additional commercial expertise to this unique local government scheme.

vii) Surveys

Surveys to collect environmental, topographical and geotechnical data, required to support the environmental statement and procurement, are all close to completion.

#### viii) Tolling

Government have made it clear to the Council that the Mersey Gateway Bridge can not be delivered without tolling. In short no tolling no new bridge. The current proposal is to toll Mersey Gateway and Silver Jubilee. Tolls will be set at a rate equivalent to the current Mersey Tunnel tolls. The Business Case submitted to Government builds in provision for discounted tolls for local people/frequent users on Silver Jubilee, subject to not compromising the financial case for the delivery of the Mersey Gateway Bridge.

4.2 The above, with the exception of the new Traffic Model, have been achieved to programme. The calibration of the new Traffic Model has experienced some delay due in part to a shortfall in the amount of existing information that has been made available to the Council, which has increased the work required to produce the model. Resources and forward plans have been adjusted to avoid any overall slippage in the project delivery programme.

### **5.0 FINANCE**

5.1 The Council has set a five year development budget to support project delivery up to the commencement of construction. Expenditure in the first year of the development programme was £3.6m, which represented a modest overspend when compared with the Council approved project budget of £3.5m. The slightly higher expenditure ensured that the Council would receive the full potential contribution from the North West Development Agency, who have committed to funding up to £3.5m of Mersey Gateway actual development costs incurred in 2006/07 financial year.

5.2 The Mersey Gateway project financial plan has been adjusted to accommodate the following developments:

- i) To undertake extensive public consultation on the draft Reference Design proposals prior to confirming the scheme to be presented for planning approval.
- ii) To prepare for conventional PFI Procurement based on the outcome of discussions with the DfT on procurement options; and
- iii) To allow more time for the new traffic model to be developed to improve the reliability of model predictions.

5.3 In taking forward a project of the scale of Mersey Gateway, the Council recognised that there would be considerable additional pressure on a number of Departments that would be called upon to support the project team. Such additional work pressure is now evident in the Planning Department. The Council spatial planning policy is required to be modified to embrace the confirmation of the Mersey Gateway project.

The scope of work required includes the preparation of Supplementary Planning Document(s) along the Mersey Gateway route and a master planning exercise to ensure the Council sets out to capture the maximum regeneration benefit from the project. This is a catching up process and consequently the work is not covered by existing budgets.

The resource requirements are reported below.

5.4 The additional work required to be undertaken this year will modify the budget profile as indicated below:

Approved Budget	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	Total
<b>Original Profile</b>	<b>£3.50m</b>	<b>£3.25m</b>	<b>£2.65m</b>	<b>£1.75m</b>	<b>£2.0m</b>	<b>£0.85m</b>	<b>£14.0</b>
<b>Revised Profile</b>	<b>£3.60m</b>	<b>£3.75m</b>	<b>£2.50m</b>	<b>£1.55m</b>	<b>£2.0m</b>	<b>£0.60m</b>	<b>£14.0</b>

5.5 The current position with the financing arrangements for the revised budget profile is given in the following table:

Year	Spend	Contributions		Prudential Borrow		Total	Shortfall
		3 <sup>rd</sup> Parties	Grant	Tranche 1	Tranche 2		
06/07	£3.60m	£3.50m		£0.10m		£3.60m	£0.0m
07/08	£3.75m			£3.75m		£3.75m	£0.0m
08/09	£2.50m			£0.63m	£1.87m	£2.50m	£0.0m
09/10	£1.55m				£0.38m	£0.38m	£1.17m
10/11	£2.00m		£1.2m			£0.80m	£0.80m
11/12	£0.60m						£0.60m
<b>Total</b>	<b>£14.0m</b>			<b>£4.48m</b>	<b>£2.25m</b>		<b>£2.57m</b>

5.6 A bid for £2m from ERDF Objective 1 transitional funds is under consideration to reduce the shortfall. The need for further prudential borrowing will be kept under review alongside the development of the external contributions secured.

5.7 The above cost plan does not cover the corporate and policy support that will be required from several Council Departments. The requirement for additional planning policy development is estimated at £135k and there is currently no allowance for this expenditure in the Department budget. It is proposed that priorities are reviewed to release these funds. In future years, the support requirements for Mersey Gateway will be identified in Department Service Plans.

## **6.0 NEXT STEPS**

### **6.1 Project Milestones**

The revised dates for achieving the key project milestones are as follows:

- Public Consultation Ends September 2007
- Public Consultation Results Announced November 2007
- Submit Planning Application and Publish
- Draft Orders Early 2008
- Public Inquiry Late 2008
- SoS Decision on Orders Late 2009
- Invite Tenders Spring 2010
- Financial Close/Construction Starts Summer 2011

## **7.0 KEY RISKS**

7.1 The project now has a detailed risk register to support robust delivery.

7.2 The proposed communication with affected landowners and the widespread publicity resulting from the consultation process may generate further requests for land to be purchased. A study to look at options to facilitate advanced land acquisition is underway.

7.3 The revised project governance provides the project team with direct access to decision-taking authority where issues can be dealt with by the OPB or escalated to the MGEB, as determined by the delegation given to the OPB. The arrangements are consistent with the Council constitution.

## **8.0 POLICY**

8.1 The progress made is consistent with delivering Mersey Gateway to programme and at best value.

8.2 The public consultation materials will bring the draft Reference Design into the public domain and enable the Council to amend its proposals prior to confirming the scheme to be presented for formal planning approval.

## **9.0 EQUALITY AND DIVERSITY ISSUES**

9.1 The new Mersey Crossing will improve accessibility to services, education and employment for all.

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

10.1 Files maintained by the Mersey Gateway Project Team and the Highways and Transportation Department.