

REPORT TO: Executive Board

DATE: 15 October 2015

REPORTING OFFICER: Strategic Director - 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 and the performance of the Mersey Gateway Crossings Board Ltd (MGCB) against the criteria set out in the MGCB Governance Agreement.

2.0 RECOMMENDATION: That

- 1) The progress with the Mersey Gateway Bridge project as set out in Appendix 1, be noted; and**
- 2) the performance of the Mersey Gateway Crossings Board Ltd in monitoring the Project Company's performance as set out in Appendix 1, be noted.**

3.0 BACKGROUND

- 3.1 The Mersey Gateway Crossings Board Ltd (MGCB) is a special purpose vehicle established by the Council, with delegated authority to deliver the Mersey Gateway Bridge project and to administer and oversee the construction, maintenance and tolling of the new Mersey Gateway Bridge and the existing Silver Jubilee Bridge.
- 3.2 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.
- 3.3 The report by the MGCB shown in Appendix 1 provides an update on the progress of the Mersey Gateway Bridge project and the performance of the MGCB in monitoring the project, as required under the Governance Agreement. Similar progress reports will be provided every six months in future.

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 monthly financial report to the MGCB.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

Children and Young People in Halton

- 6.1 The Mersey Gateway Bridge provides an opportunity to improve accessibility to services, education and employment for all.

Employment, Learning and Skills in Halton

- 6.2 Over 700 jobs have been created for the Mersey Gateway so far and matters are in hand designed to ensure the local community continues to have access to these 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.

A Healthy Halton

- 6.3 The Mersey Gateway Bridge provides an opportunity to improve accessibility to services, education and employment for all, including improved cycling and walking facilities.

A Safer Halton

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

Halton's Urban Renewal

- 6.5 Mersey Gateway 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 Mersey Gateway Bridge 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.

REPORT OF THE MERSEY GATEWAY CROSSINGS BOARD TO HALTON BOROUGH COUNCIL EXECUTIVE BOARD

MERSEY GATEWAY BRIDGE PROJECT – PROGRESS UPDATE

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- 1.1 To provide an update on progress with the Mersey Gateway Bridge project and the performance of the Mersey Gateway Crossings Board Ltd (MGCB) against the criteria set out in the MGCB Governance Agreement.

2.0 BACKGROUND

- 2.1 The Mersey Gateway Crossings Board Ltd (MGCB) is a special purpose vehicle established by the Council, with delegated authority to deliver the Mersey Gateway Bridge project and to administer and oversee the construction, maintenance and tolling of the new Mersey Gateway Bridge and the existing Silver Jubilee Bridge.
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- 3.3 The MGCB is working closely with the Merseylink consortium on a day to day basis to ensure that all aspects of the contract are adhered to, including, PR and communications, environment, traffic management and local employment and skills.

4.0 CONSTRUCTION PROGRESS

- 4.1 The following summarises the key areas of progress with construction. Appendix 2 presents a map of the construction sections for the Mersey Gateway Bridge projects.

4.2 Key Construction events

	Start	Finish
• Site office establishment	04/08/14	08/09/14
• Temporary Trestle Bridge construction	30/08/14	20/05/15
• South Cofferdam construction	24/09/14	22/03/15
• North Cofferdam construction	20/11/14	25/03/15
• Central Cofferdam construction	04/06/15	22/07/15
• United Utilities (UU) diversion at Ditton	16/06/15	02/12/15
• Mobile Scaffold System assembled (MSS)	07/07/15	12/10/15
• UU sewer diversion at Victoria Junction	10/07/15	06/08/15

4.3 Construction - Main Crossing

Approach Viaducts

- Bored piles completed in the North Approach Viaduct (NAV).
- Bored piles commenced July 2015, South Approach Viaduct (SAV).
- Excavations and concrete works for pile caps ongoing.
- Construction of working platforms in the SAV ongoing.
- Mobile Scaffold System sections arrived on site and pre-assembly works ongoing.
- Tower Crane in the pre fab yard has been commissioned.

Main Bridge

- Concrete base completed in the south pylon and in the north pylon.
- Reinforcement steel bar (Rebar) works commenced in the south and north pylon.
- Works to the external central cofferdam completed.

4.4 Construction - Landside & Highways

- Section 1 Site clearance, topsoil strip, drainage, service ducts and retaining wall works are ongoing in Speke off slip. Ditton Junction Bridge Precast piles works are ongoing. Temporary Widening in Ditton Roundabout is under construction. Starter Layer and instrumentation for trial embankments are ongoing.
- Section 2 Precast Piles for Widnes Victoria Viaduct are under construction.
- Section 4 – Piling and pile caps works for Astmoor Viaduct are under construction. Earthworks are ongoing.
- Sections 5 to 7 – Utility diversion works and enabling works at Lodge Lane are ongoing. Earthworks, Drainage and Service Ducts for Phase 2 Section 6 under construction.
- Section 8 – Utility diversion and enabling works are ongoing. Works for the foundations of M56 retaining wall have started.

4.5 The trestle bridge was completed on 20th May 2015. This was a significant event and was marked with a 'ribbon cutting' event attended by a small number of school children and teachers from Runcorn and Widnes on 5th June 2015.

4.6 The Landside Works continue to progress but in a sequence in variance to that envisaged in the original Programme. Merseylink have been preparing a revised works programme setting out their current intentions in relation to these works.

4.7 Most recent activities on site:

- North & South pylons – tower crane foundations and excavation for pylon foundations;
- Centre pylon mobilisation and scour protection;
- Excavation to temporary sheet piled retaining wall at Ditton Junction;
- Ditton Junction eastbound off-slip closure and works;
- Utility works and carriageway widening at Ditton Junction;
- Commencement of remediation at former S.Evans site;
- Assembly of the MSS and excavations/foundations for the launch area;
- Preparing piling platforms for pier foundations (SAV);
- Preparing piling platforms for pier foundations – Widnes and Victoria Viaduct;
- Central Expressway earthworks north of Lodge Lane Junction;
- Utility diversions on Central Expressway; and
- Reconstruction of Southern Expressway to Weston Link southbound slip road.

4.8 Given the scale and nature of the project, from time to time it is necessary to modify the Scheme. This has led to a revision and adaptation to the methodology and working practice. This can be clearly seen in the different methodology used in the construction of the Central Cofferdam compared to that of the North and South Cofferdams. Merseylink has adapted to circumstances by not only adapting their work methodology but also with additional resources and increased working hours subject to, and agreed with the appropriate regulators.

4.9 The project remains on a timescale to open in Autumn 2017 as set out in the Project Agreement.

4.10 PR and communications is vital to ensure that drivers in and around Halton are aware of traffic management changes. The Project website is a vital tool 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 correspondence letters to affected residents and where applicable, public meetings are conducted.

4.11 Merseylink use a dedicated computer software called Freshdesk to electronically capture all complaints and enquiries. All complaints and enquiries are to be responded to within 10 working days with a formal correspondence to be sent to the enquirer if the response is set to take longer to answer. The Mersey Gateway Crossings Board monitor compliance of this monthly.

4.12 Due to the innovative approach to any on-site issues, the project remains on a timescale to open in autumn 2017.

5.0 COMPENSATION EVENTS¹ – Specifically defined in Project Agreement and Demand Management Participation Agreement.

5.1 None to report at this stage.

6.0 RELIEF EVENTS² – Specifically defined in Project Agreement and Demand Management Participation Agreement.

6.1 None to report at this stage.

7.0 HEALTH AND SAFETY

7.1 Merseylink acknowledges the importance of Health and Safety and is a key driver in their site inductions for new starters and visitors and also in the introduction of random on-site drug and alcohol testing.

7.2 From the start of the project to date the accident figures are low (46 minor injuries) with no notifiable events and no major injuries. The number of near misses and learning events reported to date is 38.

7.3 The MGCB carried out a health and safety audit on 7th May 2015. The objectives of the audit were to review application of the Construction Joint Venture's health and safety procedures. A site tour was carried out from the former Catalyst Trade Park, to the new site offices, and then towards the trestle. The second part of the audit concentrated on the management system and in particular the records of application. Observations were raised but no major issues were found during the audit.

7.4 A follow up review to the health and safety audit was undertaken on 4th August 2015 to confirm compliance with the audit findings and 'close out' of minor issues and observations raised.

8.0 KEY PERFORMANCE INDICATORS (KPI)

8.1 Contractually, the majority of KPI's relate to the demand management, which only becomes live during the operational phase.

8.2 In general the MGCB do not measure Merseylink's construction phase performance through KPIs. During the operational phase, Key Performance Indicators pursuant to Schedule 1 of the Demand Management Participation Agreement (DMPA) and specified by the MGCB will be used to determine the performance of the Revenue Collection Services and any additional measures specified in the Roadside Tolling Equipment Specification and also Safety Performance.

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)

- 8.3 Key performance indicators and measurements are to be used to monitor the Project Company's performance and that of its Key Subcontractors against each of the Employment and Skills Delivery Plan objectives. Statutory Authority Performance Indicators: The Project Company shall report data in connection with such indicators as are current from time to time at any time during the contract period.
- 8.4 Although not monitored as a KPI, the Merseylink monthly report, submitted to the MGCB, is an effective method of monitoring progress as the report incorporates; Design and Construction; Service; Management; Monthly Payment; and the Data Reports. Also included within the monthly report are all accident, incident, enquires, complaints and traffic management data. This report is monitored by the MGCB and issues to be addressed are logged in the minutes of the monthly management meeting.
- 8.5 There are over 700 people now working on site across Runcorn and Widnes. They are made up of 34 people employed by the Mersey Gateway Crossings Board, 250 people employed by the three partners (Kier, Samsung, FCC) in the Merseylink construction joint venture including 105 people recruited directly for the project and 440 people supplied by labour suppliers or sub-contractors working on different elements of work across the site.
- 8.6 Year one figures show a direct contribution from the Mersey Gateway Project to the North West regional economy since work began of some £44m. The figures account for work placed by the main Merseylink Consortium with 138 different suppliers and sub-contractors based within a 30-mile radius of the Mersey Gateway site during the first year of work on the project, which began in May 2014.
- 8.7 The Merseylink Time Bank Scheme which aims to help local groups and organisations by providing consultancy services for community projects, has saved the local community £25,000 having provided 16 successful applicants with professional advice and support.
- 8.8 The Mersey Gateway visitors centre in Widnes at Catalyst Science and Discovery Centre opened in February 2015 and so far has had 3571 visitors. A visitor's centre based in Runcorn is in development stage along with an outdoor environmental trail located in Runcorn at Wigg Island.

9.0 RISK

- 9.1 Current progress on the actions/risks accepted by the MGCB at Financial Close is as follows:
- The procurement of the necessary enforcement powers for the collection of the tolls on the new bridge and on the Silver Jubilee Bridge. 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 are from individuals who reside in Halton and none

relate directly to the content of the proposed Modification Order before the SoS, but rather to imposition of tolls.

An attempt to persuade all three objectors 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 was required to submit representations relating to all three objections and 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 Board. It is expected that the SoS will have determined the application by mid November 2015. The period for Judicial Review would expire by the end of December 2015. Assuming there is no Challenge to the SoS's decision, the Council would then be in a position to make a Road User Charging Scheme Order (RUCSO) for the two bridges that would include the use of the necessary enforcement powers.

- Bye-laws – a draft has been prepared and requires internal legal review prior to consultation with Merseylink (expected to begin September 2015).

Risk Register

- 9.2 The Board 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.
- 9.3 The Risk Register is a standing item on the agenda of both the MGCB's Audit Committee, whose membership includes the Council's Divisional Manager Audit & Operational Finance, and the monthly Board of Directors meeting, whose membership includes Cllr Polhill and Cllr Wharton as the duly appointed Council Non-executive Directors.
- 9.4 As previously reported to Council in December 2013, under the Project Agreement the Project Company 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 Company is responsible for the collection risk associated with the tolls.
- 9.5 The principle risk retained by the Council and Department for Transport relates to toll revenue, which is a function of the toll charge and the volume of traffic using the bridges.

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

9.7 The Risk Register is available for inspection at the MGCB's offices.

10.0 BUSINESS PLAN

10.1 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.

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

10.3 The Business Plan is available for inspection at the MGCB's offices.

Mersey Gateway Bridge Project - Construction Sections

