
Report to: Cabinet

Date of Meeting: 12th September 2013

Subject: A5758 Broom's Cross Road (Thornton to Switch Island Link Road) - Notice to Proceed to Construction

Report of: Director of Built Environment

Wards Affected: Park, St Oswald, Netherton and Orrell, Molyneux, Manor, Sudell

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential

No

Purpose/Summary

To seek authority to issue the Notice to Proceed to Construction to the contractor to begin construction of the proposed Thornton to Switch Island Link and associated works.

Recommendation(s)

That the Director of Built Environment be authorised to issue the Notice to Proceed to Construction to the appointed contractor to commence construction of the A5758 Broom's Cross Road (Thornton to Switch Island Link), subject to the following :

- Completion of the acquisition of land and rights required for the scheme through either the compulsory purchase process and / or negotiation; and
- Discharge of the planning conditions required to be satisfied in advance of construction; and
- Confirmation of Full Approval status from the Department for Transport.

How does the decision contribute to the Council's Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being	✓		
5	Children and Young People		✓	
6	Creating Safe Communities	✓		

7	Creating Inclusive Communities	✓		
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

A Notice to Proceed to Construction is required to be issued as part of the contract arrangements for the A5758 Broom's Cross Road scheme before the contractor appointed to deliver the scheme can commence construction. The Notice to Proceed to Construction has to be issued by the Council's Project Manager, who is the Director of Built Environment.

What will it cost and how will it be financed?

(A) Revenue Costs

None

(B) Capital Costs

Cabinet approved the spend profile for the scheme for 2009/10 – 2012/13, totalling £5.912m on the 1st October 2009. The allocations were included in the Capital Programme 2010/11 – 11/12 approved by Cabinet on the 4th March 2010. Revised allocations for 2013/14 – 2014/15 were presented to Cabinet as part of the Capital Programme on 28th February 2013.

In February 2011, the DfT advised that Sefton Council's Best and Final Funding Bid for the Thornton to Switch Island Link scheme had been approved and that funding for the scheme was confirmed. The funding approval letter confirmed that the DfT will provide a maximum capped funding contribution of £14.5m towards the estimated scheme cost of £18.588m. The contribution will be paid as capital grant under Section 31 of the Local Government Act 2003. The full capital cost of the scheme, including the Government contribution has been included in the Council's capital programme.

All proposed commitments are contained within the Council's previously approved allocation in the medium term financial plan and in accordance with the funding profile reported to Cabinet on 28th February 2013.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal

Under the terms of the contract with Balfour Beatty Civil Engineering Ltd, the construction of the scheme cannot commence until the formal Notice to Proceed to Construction has been issued by the Council's nominated Project Manager (Director of Built Environment). Notice to Proceed to Construction should not be issued until all the

land and rights required have been acquired, the relevant planning conditions discharged and confirmation of full approval and funding commitment has been received from the Department for Transport.

Human Resources

Equality

1. No Equality Implication
2. Equality Implications identified and mitigated
3. Equality Implication identified and risk remains

Impact on Service Delivery:

Completion of the Thornton Link scheme will relieve congestion and improve safety and environmental conditions in the Thornton and Netherton areas, reduce rat-running through the Sefton villages and improve links to Formby and Southport from the motorway network.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2502) and Head of Corporate Legal Services (LD1810) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

None

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet/Cabinet Member Meeting

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Background Papers:

The following papers are available for inspection by contacting the above officer(s).

Letter from Government Office for the North West – 24th January 2011 - Town and Country Planning (Consultation) (England) Direction 2009. Thornton – Switch Island Link, Dunnings Bridge Road, Netherton

Letter from Department for Transport Regional and Local Major Projects Division – 4th February 2011 – Funding Approval and Reconfirmation of Programme Entry

1. Introduction/Background

- 1.1 A report to Cabinet on the 3rd March 2011 advised Members of the progress of the Thornton to Switch Island Link scheme. Members were advised that the Government had accepted Sefton Council's Best and Final Funding Bid for the Thornton to Switch Island Link scheme and that funding for the scheme was confirmed, subject to the conditions set out in the letter from the DfT. The Council's medium term capital programme was amended accordingly. In addition, Government Office North West had advised the Council's Planning Department that they did not intend to 'call in' the proposal for a Public Inquiry. Consequently, the Council issued notice of the granting of planning permission on 26th January 2011.
- 1.3 Work on the scheme then concentrated on the preparation of a Side Roads Order (SRO) and a Compulsory Purchase Order (CPO) for the scheme. A series of delays were encountered due to negotiations with the Forestry Commission over Government owned land that was not able to be included in the CPO. To assist with the progress of the scheme whilst these negotiations were being finalised, Cabinet on 13th October 2011 approved the detailed design of the scheme to be undertaken.
- 1.4 Progress on the acquisition of land and rights for the scheme is summarised below. The detailed design of the scheme has been completed and is now ready for the start of construction. The contractor has been completing a final target cost estimate for the construction phase of the scheme, which will be used as the basis for the final submission to the DfT for Full Approval. The processes of land acquisition, discharge of planning conditions and DfT Full Approval are in their final stages and need to be completed before the contractor (Balfour Beatty Civil Engineering Ltd) can be instructed to proceed with construction. These processes are summarised below.

2.0 Acquisition of Land and Rights

- 2.1 The SRO and CPO were published in July 2012. Four objections were received, but two relating to the SRO were quickly resolved and were withdrawn. The remaining two objections to the CPO resulted in the DfT advising the Council that a Public Inquiry would be required. One of the remaining two objections was subsequently withdrawn shortly before the Inquiry, but the DfT advised that the Inquiry should still proceed. A Public Inquiry to consider the SRO and CPO was therefore held on the 5th and 6th February 2013.
- 2.2 On 29th April 2013, the DfT advised that the Secretary of State accepted the conclusions and recommendations of the Inspector's report and had decided to confirm the Side Roads Order for the scheme without modifications and the Compulsory Purchase Order for the scheme as modified by him. Notice of the decision was published on 15th May 2013 and the 6 week high court challenge period expired on the 26th June 2013 with no challenges being received.
- 2.3 Notice of the intention to publish a General Vesting Declaration (GVD) to acquire the land identified in the CPO was published on 27th June 2013 and the GVD is being published on 27th August 2013. The GVD comes into effect after 28 days, so the land identified in the CPO will become Council owned land from the 24th

September 2013. Notices to Treat are being issued at the same time to secure the access rights required for future maintenance of watercourses.

- 2.4 In parallel with the GVD process, negotiations are continuing with the landowners so that some of the land may be secured by agreement before the GVD process is completed. Whether through GVD or by agreement, it is expected that the acquisition of land and rights required for the scheme will be completed by the end of September 2013.

3.0 Planning Conditions

- 3.1 A total of 31 planning conditions were issued with the planning permission. These included 22 pre-development conditions, which are required to be discharged before construction can commence. The project team has been preparing the information needed to discharge the conditions.
- 3.2 An application to discharge 17 of the conditions was submitted on 16th July 2013 and this is being considered by the Planning Department. The application to discharge the remaining conditions is planned before the end of August 2013. Subject to the assessment by the Planning Department, it is expected that all the pre-development planning conditions will be discharged by the end of September 2013.

4.0 DfT Full Approval

- 4.1 Although the DfT confirmed its funding contribution on the basis of the Council's Best and Final Funding Bid in March 2011, the scheme still has to go through a Full Approval process. The DfT considers five aspects of scheme delivery as part of the full approval process and all five need to be satisfied before ministerial approval to proceed with the scheme can be given. The DfT will consider the strategic case, economic case, financial case, commercial case and management case. The Council is required to submit information relating to all these areas for assessment by the DfT.
- 4.2 The strategic case for the scheme and the scope of the scheme have not changed from that previously agreed, so no additional information is required.
- 4.3 The economic case comprises the benefit cost ratio of the scheme and the social and distributional impacts (SDI) assessment (which considers potential impacts on particular social or demographic groups). The DfT has requested that the economic assessment of the scheme is revised using updated traffic modelling figures. This work is currently under way but has incurred some additional cost and time in completing the full approval submission. The SDI assessment has been completed and agreed with the DfT.
- 4.4 The financial case consists mainly of the full cost estimate for the scheme and the proposed spend profile. Confirmation of the local authority contribution has been provided and the final target cost estimate has also been prepared. The scheme costs are described further in Section 5 below.
- 4.5 The commercial case relates to the procurement process, the basis of the contract and the balance of risks between the contractor and the Council. This information

remains unchanged because the Council procured an Early Contractor Involvement contract in 2009 with Balfour Beatty Civil Engineering Ltd and its design partner Jacobs. Balfour and Jacobs have been responsible for developing the scheme design since then and the balance of risks has been clearly identified in the project risk register throughout the design process.

- 4.6 The management case requires confirmation that the Council has acquired the relevant statutory powers (e.g. planning permission, SRO, CPO) and includes details of scheme programming, risk management, consultation, governance arrangements and monitoring and evaluation. The required information on all these areas has been provided to the DfT for comment in advance of the final full approval submission and no additional information has been requested.
- 4.7 Subject to completion of the additional economic assessment requested, all the information needed for the full approval submission has been prepared and a draft has been provided to the DfT for comment. Once the final submission has been made, it is expected that the DfT will be able to respond quickly and there is every expectation that Full Approval status will be granted, hopefully early in October.

5.0 Scheme Budget and Funding

- 5.1 The letter from the DfT in January 2011 confirmed that the DfT will provide a maximum capped funding contribution of £14.5m towards the estimated scheme cost of £18.588m. The contribution will be paid as capital grant under Section 31 of the Local Government Act 2003.
- 5.2 The scheme funding can therefore be summarised as:

DfT Contribution	£14.500m
Local Authority Contribution	£4.088m
Ineligible Costs (local authority budget)	£0.650m
Contingency (local authority budget)	£1.174m
TOTAL	£20.412m

- 5.3 A revised spend profile for the Council's contribution to the scheme has been prepared. Note that this includes the allocation for ineligible costs and the contingency sum. The revised spend profile for the scheme is shown below.

Year	Sefton Contribution £m	DfT Contribution £m	Total £m
2007/08	0.000	0.000	0.000
2008/09	0.114	0.000	0.114
2009/10	1.098	0.000	1.098
2010/2011	0.407	0.000	0.407
2011/2012	0.482	0.000	0.482
2012/2013	0.795	0.000	0.795
2013/2014	1.307	4.977	6.284
2014/15	1.509	9.523	11.032
2015/16	0.200	0.000	0.200

Total	£5.912m	£14.500m	£20.412m
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- 5.4 The allocation of Sefton's contribution to the scheme remains within the amount allocated by Cabinet on 17 May 2007.

6.0 Scheme Delivery

- 6.1 The scheme contractor will require a Notice to Proceed to Construction from the Council before construction work can start. Notice to Proceed to Construction cannot be issued until the acquisition of land and rights has been completed, the pre-development planning conditions discharged and Full Approval status confirmed by DfT. It is currently expected that all these can be achieved by the end of September/early October. The date of the Notice to Proceed to Construction will depend on when these conditions have been successfully completed.
- 6.2 The Notice to Proceed to Construction will then enable the contractor to start construction. Work on site will not start immediately, because the contractor will have a range of preparatory and set-up work to complete. However, as much preparation as possible will be done in anticipation of the Notice to Proceed to Construction so that work can start on site as soon as possible.
- 6.3 Subject to securing Full Approval status within the timescale envisaged, it is expected that work could start on site by early November 2013. Construction is planned to take 12 months to complete.

7.0 Financial Implications

- 7.1 The Head of Corporate Finance and ICT comments that the financial implications of the report for the Council are that capital expenditure up to £20.4m will be incurred, as indicated above, and will be financed from the resources that have been previously included in the capital programme.

8.0 Conclusions

- 8.1 The Council has been promoting this scheme for many years and there is overwhelming public support for the scheme, as demonstrated by the public consultations undertaken over recent years. The scheme is now in the final approval stages and subject to completion of those final stages, Cabinet is requested to authorise the Built Environment Director to instruct the contractor to build the scheme.