



3MG Executive Sub Board

**Thursday, 16 October 2008 3.00 p.m.
Conference Room 2, Municipal Building**

A handwritten signature in black ink that reads 'David Wright'.

Chief Executive

COMMITTEE MEMBERSHIP

Councillor Rob Polhill (Chairman)
Councillor Steff Nelson
Councillor Marie Wright

*Please contact for further information.
The next meeting of the Committee is on Thursday, 15 January 2009*

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

Item No.	Page No.
1. MINUTES	1 - 3
2. FINANCIAL REPORT , 3MG LANDSCAPE CONTRACT	4 - 6
3. PROGRESS ON IMPLEMENTING THE 3MG MASTERPLAN	7 - 9

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

3MG EXECUTIVE SUB BOARD

At a meeting of the 3MG Executive Sub Board on Tuesday, 13 November 2007 in the Marketing Suite, Municipal Building

Present: Councillors McDermott, Wright and Polhill

Apologies for Absence: None

Absence declared on Council business: None

Officers present: L. Bailey, M. Ledson, L. Derbyshire, S. McDonald, M. Reaney, D. Sutton, A. Scarisbrick and D. Tregua

Also in attendance: None

**ITEMS DEALT WITH
UNDER POWERS AND DUTIES
EXERCISABLE BY THE SUB-BOARD**

	<i>Action</i>
ESB7 MINUTES	
<p>The Minutes of the meeting held on 16th July 2007, having been printed and circulated, were taken as read and signed as a correct record.</p>	
ESB8 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
<p>The Sub-Board considered:</p>	
<p>(1) whether Members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972; and</p>	
<p>(2) whether the disclosure of information was in the public interest, whether any relevant exemptions</p>	

were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following items of business in accordance with Sub-Section 4 of section 100A of the Local Government Act 1972 because it is likely that, in view of the nature of the business, exempt information will be disclosed, being information defined in Section 100(1) and paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972.

ESB9 NEWSTEAD FARM, LOWER ROAD, KNOWSLEY

The Sub-Board considered a report of the Strategic Director, Corporate and Policy which sought approval to acquire Cheshire County's freehold interest subject to an existing agricultural tenancy in Newstead Farm, Lower Road, Knowsley.

RESOLVED That:

- (1) delegated authority be granted to the Strategic Director, Corporate & Policy and the Strategic Director, Environment, in consultation with the Executive Member for Corporate & Policy and the Executive Member for Planning Transportation and Renewal, to take such action as necessary to acquire the land from Cheshire County Council;
- (2) subject to the Council agreeing the terms and completing the legal formalities with Cheshire County Council, authority be granted to the Operational Director of Property Services to open up negotiations with the tenant of Newstead Farm with a view to securing vacant possession of the land required to deliver the 3MG proposals; and
- (3) delegated authority be granted to the Strategic Director, Corporate & Policy and the Strategic Director, Environment, in consultation with the Executive Member for Planning, Transportation Regeneration and Renewal, to take such action as necessary to secure

Strategic Director
– Corporate &
Policy

vacant possession of the land required from the tenant at Newstead Farm to deliver the 3MG proposals.

MINUTES ISSUED: 14th November 2007

CALL IN: 20th November 2007

Any matter decided by the Executive Board may be called in no later than 20th November 2007

Meeting ended at 5.15 p.m.

REPORT TO: 3MG Executive Board Sub Committee

DATE: 16th October 2008

REPORTING OFFICER: Strategic Director - Environment

SUBJECT: Financial Report, 3MG Landscape Contract

WARDS: Ditton

1.0 PURPOSE OF THE REPORT

- 1.1 To confirm that the 3MG Landscape contract will be delivered within the agreed budget of £1,170,381; and, as required by Standing Orders Relating to Finance 5.1.5., to notify the Board that the agreed tender price will be exceeded by approximately 10%.**

2.0 RECOMMENDATION:

- (1) That the report is accepted and acknowledged.

3.0 SUPPORTING INFORMATION

- 3.1** The detailed design for the structural landscape around the proposed rail freight development site (on the land north of Halebank Road) was presented to Executive (Transmodal Implementation) Sub-Board in April 2006, and revisions to the scheme were presented to 3MG Executive Board Sub Committee in April 2007. The work was subsequently tendered and the contract awarded to the lowest tenderer, Blakedown Landscapes, for the sum of £762,236.09.
- 3.2** Commencement on site of the landscape work was held back by several months due to delays in the diversion of the sludge main by United Utilities. The landscape contract started on site in May 2008, and the contractor has made good progress, accelerating his programme in order to bring the works back on schedule.
- 3.3** It has been necessary to include a number of unforeseen / additional items in the contract since it started on site, which will result in a projected over-spend of the contract sum by £73,213.36. This represents just less than 10% over the tender sum of £762,236.09. (A full description of these items is included in Appendix 1.) 10% represents a normal contingency figure for a development project such as this. However, Standing Orders require that expenditure exceeding 5% of the contract price be reported to the relevant Executive Board (or Executive Sub Board).

3.4 The budget allocation for the project is £1,170,381. This is made up of funding from the North West Development Association, ERDF and Halton Borough Council's capital allocation to the 3MG project.

3.5 The estimated total spend on the project of £835,000 will be accommodated within the budget allocation. Halton Borough Council's capital contribution will be approximately £117,000 out of its project allocation of £163,853, a saving of approximately £47,000 on the original budget estimate.

4.0 POLICY IMPLICATIONS

4.1 None

5.0 OTHER IMPLICATIONS

5.1 Financial Implications:

The projected over-spend of approximately £73,000 can be met from within the budget allocation for the Landscape scheme.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 None

7.0 RISK ANALYSIS

7.1 The additional / unforeseen items (as listed in Appendix 1) were all necessary to achieve a safe, high quality scheme within the required timeframe. Not carrying out any of these items would have compromised one or more of these factors.

8.0 EQUALITY AND DIVERSITY ISSUES

None

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

Document	Place of Inspection	Contact Officer
-----------------	----------------------------	------------------------

APPENDIX 1: Details of Items causing potential Over-spend, 3MG Landscape Contract

Information supplied by Landscape Consultants, TEP, 03/09/08

The reasons for the additional expenditure are summarised below:

- After tendering the contract, liaison with the police was undertaken which resulted in changes to some of the fencing specification to improve security which resulted in addition spend of £51,787.72
- It was agreed to accelerate the earthworks element of the contract to reduce the length of time the earthworks would take at a cost of £19,500. This enabled maximum use to be made of the good weather in May..
- Changes to the contractors anticipated method of working had to be made as a result of working restrictions placed on the contractor from United Utilities for working over the sludge main which was only 1m below the surface. These restrictions were imposed after the contract had been tendered and contractor appointed. (Cost was £10,080)
- Topsoil depths across the site were in places considerably deeper than the anticipated 250mm depth. In places it was up to 400-470mm depth. The contractor was also restricted to only excavating to a level of 9.5m which meant a larger area and subsequently a larger amount of topsoil needed to be moved to gain access to the subsoil. This also increased haulage distances across the site to transport subsoil. The extra costs totalled £50,309.08
- An additional manhole was discovered once Eric Wright (contractors for the sludge main diversion) had left site which had not been brought to our attention whilst Eric Wright were on site This is in a poor condition and needs its height building up and a manhole cover fitting. (Cost £1,401.68)
- Additional re-profiling of the fishing pond was requested after the initial re-profiling had been undertaken at a cost of £1,210.
- Around the old outbuildings there was a series of soft spots which were a result of buried waste material such as old bedding for animals. This needed removing and replacing with stone to ensure a stable surface to prevent subsistence of the footpath. In addition, the footpath required re-aligning due to the existing fishing pond being considerably larger than the base plans indicated. This meant a low dish, full of rubbish, needed building up to provide a level and stable surface to construct the footpath. The rubbish and debris needed to be carted off site. The cost of this was £23,055.25.
- The remainder of the expenditure includes increased costs through re-design of the penstock/ headwall design to improve safety around this point, additional length of drainage resulting from changing the alignment of the culvert, some additional areas of wildflower planting, and additional plant numbers and hedgerow to improve security to the rear of properties. Amounting to a total of £15,802.63

This gives a total additional spend of £173,146.36 less a discount of £5,750 for discounts of £2,500 and £2,250 offered by the contractor. Some items in the contract have been omitted, which has meant that the total expenditure above the original contract figure of £762,236.09 is £73,213.36.

REPORT TO: 3MG Executive Sub Board

DATE: 16th October 2008

REPORTING OFFICER: Strategic Director Environment

SUBJECT: Progress on Implementing the 3MG Masterplan

WARDS: All Wards

1.0 PURPOSE OF THE REPORT

1.1 To update Members on the progress of the 3MG Masterplan.

2.0 RECOMMENDATION: That

- (1) Members note the progress made and
- (2) support the continuation of the Masterplan programme.

3.0 SUPPORTING INFORMATION

- 3.1 The Chief Executive presented a detailed update on 3MG to Council on 12th. December 2008. This report updates Members of the Board on progress.
- 3.2 **A5300 Western Approach** - A planning application was submitted jointly to Knowsley MBC and Halton Borough Council in March 2008. It was considered by KMBC on 14th. August. It resolved to approve the application subject to a referral to the Secretary of State. The Secretary of State confirmed that he would not be calling in the application. KMBC issued the full formal approval on 17th. September 2008. Halton Borough Council considered and approved the application 15th. September 2008 and issued its full approval on 30th. September 2008. Following successful discussions with the North West Development Agency regarding the possible need for 'gap' funding, it is likely that the construction of the Link Road will be coupled to the sale of HBC Field, thereby passing the cost and risk to the developer.
- 3.3 **Rail** - Planning permission was obtained for four new rail sidings on 17th. October 2007. Design has progressed to Network Rail's GRIP stage 3 (out of 8) and discussions are on-going with Network Rail, Halton Borough Council's advisors W.S. Atkins and the Stobart Group over the most cost-effective way for moving the project through GRIP stages 4 and 5.
- 3.4 **Landscaping** - United Utilities completed the diversion of the sludge main in May 2008. The structural landscaping contract commenced on

site in May 2008 and is progressing well. The planting will be completed in January 2009. The new parkland will be opened to the community in Spring 2009, once the seeding and planting has had time to establish.

- 3.5 **Halebank Rec** - Phase 1, the Play Area, tree planting and improvement works to changing rooms, was completed in May 2007. This was formally opened to the community in June 2007. Phase 2, the installation of youth activity equipment and pitch drainage, received approval from Biffa for a £50,000 grant in December 2007. Work commenced on 1st. September 2008 and was completed on 8th. October 2008. A formal opening will take place at the end of October 2008.
- 3.6 **Private Sector Investment** - The Stobart Group bought into 3MG in August 2007 by acquiring the former AHC site, the O'Connor operation and Tessengerlo. They are currently making progress acquiring the Eddarbridge properties and now own approximately 200 acres. Stobart obtained planning permission in December 2007 for a large development on the former AHC site. That application will not be implemented since the customer opted to take this development in the North East. However, an additional application has been submitted for the former Tessengerlo site for a large chilled food warehouse for the same customer which will generate an estimated 918 jobs. This will have been considered by the Development Control Committee on 13th. October 2008. Stobart has also acquired the Mersey Gateway Port (formerly the Port of Weston). Steve O'Connor has been appointed Stobart Ports Director and is responsible for both the Widnes and Runcorn operations. Stobart is working directly with the North West Development Association and has submitted an application for £3.8 million towards reclamation costs.
- 3.7 **Funding** – The North West Development Association has agreed an 'in principle' grant of up to £4.5 million towards 3MG. To date £1.7 million has been secured and a further application is currently being considered by the North West Development Association for £942,000.
- 3.8 **Acquisitions** – Halton Borough Council Field is now in the full ownership of Halton Borough Council. Terms have also been agreed with Cheshire County Council for the acquisition of the land known as Newstead Farm, some of which is necessary for the construction of the A5300 Link.
- 3.9 **Skills** - The Halton Employment Partnership (including Skills for Logistics, Learning and Skills Council and Job Centre Plus) is taking the lead on the skills and recruitment offer for logistics companies in Halton, specifically targeting 3MG. One of our Partners has devised an NVQ Warehousing Programme which has been piloted in the James Irlam division of Stobart and will now be rolled out throughout the Stobart Group nationally. A joint Topic Group was formed over the summer between the Urban Renewal and Employment, Learning and Skills PPBs which is looking specifically at skills and recruitment in this sector. An Investors' Handbook is currently being produced, detailing the Halton Employment Partnership's offer to existing and new logistics companies.

The aim of this is to give Halton the competitive advantage over its rivals and maximise the number of local people accessing the employment opportunities.

4.0 POLICY IMPLICATIONS

- 4.1 All of the projects detailed above are in accordance with the approved 3MG Masterplan and SPD.

5.0 OTHER IMPLICATIONS

- 5.1 Urban Renewal – 3MG is an integral part of Halton’s Urban Renewal strategy and will lead to job creation, the remediation of vast amounts of contaminated land, improvements to the environment and will put Halton on the national map as a centre for logistics.
- 5.2 Financial implications – 3MG has maximised the grant funding available from ERDF, NRF, WREN and Biffa, and will continue to work the North West Development Association to maximise its contribution to the delivery of the Masterplan. The balance will be generated as shown in the approved 3MG Masterplan.

6.0 RISK ANALYSIS

- 6.1 The key risks associated with this programme of work remain unchanged from those reported to Members in December 2007.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 Equality and diversity issues are considered at all levels, at programme and project delivery.

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

- 8.1 There are no background papers in connection with this item.