



Mersey Gateway Executive Board

**Thursday, 19 October 2006 12.00 p.m.
Marketing Suite, Municipal Building**

A handwritten signature in black ink that reads 'David W R'.

Chief Executive

BOARD MEMBERSHIP

Councillor Tony McDermott (Chairman)	Labour
Councillor Mike Wharton	Labour
Councillor Rob Polhill	Labour

*Please contact Lynn Derbyshire on 0151 471 7389 or e-mail
lynn.derbyshire@halton.gov.uk for further information.
The next meeting of the Board is on Thursday, 16 November 2006*

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

Part I

Item No.	Page No.
1. MINUTES	
2. DECLARATION OF INTERESTS	
Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda no later than when that item is reached and (subject to certain exceptions in the Code of Conduct for Members) to leave the meeting prior to discussion and voting on the item.	
3. PROGRESS REPORT	1 - 10
4. PROCUREMENT STRATEGY FOR MERSEY GATEWAY	11 - 12

PART II

**ITEMS CONTAINING "EXEMPT" INFORMATION FALLING
WITHIN SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT
1972 AND THE LOCAL GOVERNMENT (ACCESS TO
INFORMATION) ACT 1985**

In this case the Board has a discretion to exclude the press and public but, in view of the nature of the business to be transacted, it is **RECOMMENDED** that under Section 100(A)(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

5. SITING OF TOLL PLAZAS	13 - 24
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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.

REPORT TO: Mersey Gateway Executive Board

DATE: 19 October 2006

REPORTING OFFICER: Mersey Gateway Project Director

SUBJECT: Mersey Gateway

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

- 1.1 This report covers the progress made in the delivery of Mersey Gateway since the meeting of the Mersey Gateway Executive Board (MGEB) in July 2006.

2.0 RECOMMENDATION: That

- (1) the MGEB note the progress made and the issues to be discussed with officials at the Department for Transport at the meeting arranged for 26 October 2006.

3.0 PROGRESS REPORT

- 3.1 The new project structure is now being implemented. Substantive progress has been made in the following areas.

Delivery Resources and Project Structure

- 3.2 The agreed project structure and project team resources are in place with the exception of a renewed public relations consultant and we have deferred the appointment of a procurement manager until the procurement strategy is settled (item 5).
- 3.3 In September we appointed EC Harris and Halcrow who had joined forces to offer the Council support services in project management, procurement and cost control.

Liaison with Department for Transport

- 3.4 The second quarterly meeting with the Department for Transport (DfT) shall take place on 26 October. The progress report to DfT is attached at Appendix 1. The report provides more detail on general project progress and raises several issues that are required to be resolved.

4.0 PROJECT PROGRAMME

4.1 The principle short term deliverables are:-

- i) The agreed Reference Design for the scheme.
- ii) Review of Project Cost based on the Reference Design and a more detailed appraisal of risk
- iii) The Traffic Model outputs supporting the review of project appraisal that is a requirement of the DfT funding conditions.
- iv) The selection of the preferred procurement strategy.

4.2 Progress with each of the above is currently to programme but contingency in the delivery plans for the traffic model has been eroded due to delay in receiving data from third parties. Resources are being adjusted to avoid any programme slippage.

5.0 BUDGET

5.1 The near complete mobilisation of the project team resources is reflected in the increase rate of expenditure. The spend position at the end of September compared to the budget profile through the current year is at Appendix 2. At the detailed level the comparison shows a degree of variance in some budget items but overall the actual spend is in line with the budget forecast.

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

Document	Place of Inspection	Contact Officer
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APPENDIX 1

REPORT TO: MAJOR PROJECTS DIVISION
DEPARTMENT FOR TRANSPORT

DATE: 27 September 2006

REPORTING OFFICER: MERSEY GATEWAY PROJECT
DIRECTOR

SUBJECT: MERSEY GATEWAY PROGRESS
REPORT NO. 2

1.1 PURPOSE OF THE REPORT

This report covers the progress made in delivering the Mersey Gateway project. Key decisions carried over from the progress meeting on 7 July are reviewed and the preliminary results from the procurement strategy market consultation are considered.

2.1 KEY DECISIONS REQUIRED

Carried over from last meeting:

- (1) To confirm that the proposed traffic model specification now being taken forward has the scope to provide robust evidence that should be fully compliant with the Department's modelling requirements.
- (2) To agree the most appropriate statutory process that should be incorporated in the Mersey Gateway Project Plan in order to secure the powers to build, maintain and apply toll charges for both the proposed Mersey Gateway and the existing Silver Jubilee Bridge.

Plus

- (3) To note the preliminary issues emerging from the procurement strategy market consultation.

3.0 PROGRESS REPORT

- 3.2 The progress achieved in the principle project work streams is as follows.

Scheme Reference Design

- 3.3 Since July, a full review of the scheme along the preferred route has been carried out by Gifford and this has identified some issues that require further investigation
- 3.4 The key issues are:
- Toll Plaza Location – a feasibility study has been completed into the possible relocation of the main toll plaza area in Widnes. The main benefits of this relocation are significantly improved visual impact and reduced costs.
 - Ditton Roundabout Junction (Widnes) – an operational assessment of the Ditton Roundabout Junction has concluded that the roundabout has insufficient capacity in future years, even in the do-minimum case. Alternative designs for a signalised junction have been proposed that will be incorporated into the Reference Design.
 - Links to M56 – operational assessments of Junctions 11 and 12 on the M56 are being carried out to determine whether they will impose a constraint on the operational success of the Mersey Gateway scheme. Consultation with the Highways Agency on this issue has commenced.
- 3.5 The scheme reference design is being progressed to support the planning and procurement process, but the draft engineering designs produced will also be used to undertake a financial and appraisal review in spring next year. The reference design is on course to be completed by the end of November 2006.
- 3.6 An architect has been appointed by Gifford to assist in the preparation of the architectural design brief for the scheme. Consultation with CABE is on-going and a site visit is planned this autumn.

Traffic Model

- 3.7 Almost all data required for the development and validation of the Mersey Gateway transport model has now been gathered and reviewed; although there remains some outstanding information that is critical to the programme.
- 3.8 All roadside interview data, including both sites surveyed in June 2006 and historic data from various recent studies within the model area, has been reviewed, cleaned and expanded. There remain some adjustments required to develop complete cordons and work is in hand on this task.
- 3.9 Analysis of the Merseyside Household Travel Survey (HTS) has been completed, including preparation of comparisons with the National

Travel Survey (NTS). Together with comprehensive socio-economic and demographic data for the model area, HTS trip rates will be used to synthesise trips throughout the model area.

- 3.10 A highway network has been developed and comprises about 525 zones altogether. The simulation network covers the area between the M62, M6, M56 and M53 while the buffer area comprises the remainder of the Wirral, parts of north Cheshire, and a wider area to the north including much of St Helens.
- 3.11 The state of preference survey will be completed by the end of September, and the further public transport survey has been completed. Preliminary work on the public transport model has started on programme.

Procurement Strategy

- 3.12 The Preliminary Project Information Document (PPID) has been issued to around 20 interested private sector companies seeking views on key procurement questions.
- 3.13 Several bi-lateral meetings with consultees have taken place and these are due to be completed in mid October. The questions raised in consultation are listed in Appendix 1. An oral report on the emerging views received will be reported at the progress meeting on 26 October.

The Statutory Process

- 3.14 The progress meeting on 7 July left the statutory process for Mersey Gateway unresolved. Subsequent meetings with Thames Gateway Bridge and DfT lawyers have helped to clarify the options. Herbert Smith is now finalising their recommendations in consultation with DfT lawyers, and the outcome is due to be confirmed at the progress meeting on 26 October.

Environmental Assessments

- 3.15 A programme of environmental assessment work is underway to inform the development of the Reference Design, leading up to the production of an Environmental Impact Statement to support the planning application later next year. A key issue that remains relates to the potential change in river dynamics resulting from the construction of new bridge piers within the tidal range of the river. The hydrodynamic model points to there being no basis to expect that the proposed bridge design will have a significant impact on river flow. Further continuous monitoring, supported by on-going consultations, is intended to improve the confidence of forecasts. Results are being reported to the Environment Agency, English Nature and the Mersey Conservator. The latter is due to attend Halton in October for his annual progress meeting and a report is in hand to support this meeting.

4.0 ESTABLISHING THE PROJECT DELIVERY ORGANISATION

- 4.1 We have achieved the aim of putting the new project structure in place by early September. Key developments with the project organisation and resources since the last meeting are as follows.

Core Project Team

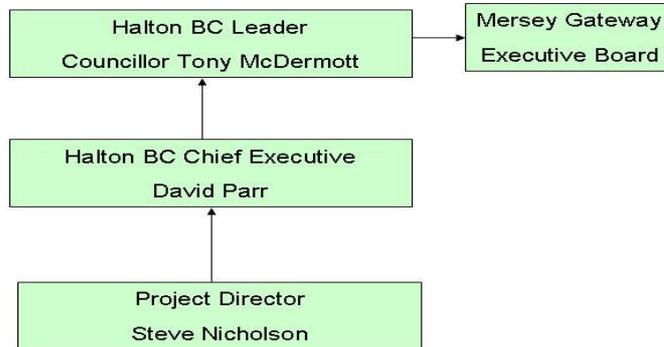
- 4.2 The three vacant positions in the Mersey Gateway Core Project Team, based in Rutland House, have now been filled with the successful internal candidates taking up their promotions on 4 September. This completes recruitment for the time

being, although one vacancy (Procurement Manager) remains in the agreed project team establishment where the timing of an appointment is linked to decisions on procurement. The three new team members are Steve Eccles (Integration Manager), Matthew Fearnhead (Project Administrator) and Marion Kirby (Personal Assistant to Project Director).

Commission Arrangements for Consultant and Advisors

- 4.3 The specialist support for the project has been reinforced by the appointment of the E C Harris/Halcrow partnership that will provide leading advice on cost estimates, project management and procurement. Gifford has introduced an architect practice to advise on producing a design brief that will specify the scope of architectural input for the Reference Design now being prepared. An expression of interest notice for a public relations consultant has been advertised.
- 4.4 E C Harris will be carrying out a cost review of the scheme on completion of the Reference Design, and the Highways Agency is funding a Cost Challenge to the project in the New Year.
- 4.5 Halcrow is administering an on-line collaboration system for the project based on the Business Collaborator system. The processes and protocols are based on the system used by the Highways Agency for the M25 Widening Scheme. The system is going live at the beginning of October. Training for the core team has already taken place, and training will be rolled out across the wider project team during September/October. All project documentation will be managed through the collaboration system and the processes adopted for version control will ensure effective configuration management.
- 4.6 Several delivery issues were raised at the last progress meeting which have now been addressed. The escalation route for the project has been streamlined and is shown below.

**Mersey Gateway
Project Escalation Route**



4.7 The issue of independent project scrutiny and external project assurance checks was raised at the last meeting. The setting up of the Advisory Panel provides for routine project assurance. The planned Highways Agency cost challenge exercise and the current market consultation on a potential procurement approach demonstrates that independent reviews will form a key component to securing project delivery. These informal reviews will be in addition to the standard Gateway Reviews and presentations to the Treasury Project Review Group.

4.8 Significant progress has been made in evaluating project risk. An extended risk register is now available and a management plan in preparation. Further information will be available before the meeting on 26 October.

5.0 FINANCE ISSUES

5.1 Development Costs

5.1.1 The current expenditure is in line with the preparation budget for the year. Contributions towards development costs continue to be discussed with neighbouring authorities and NWDA. We have received strong indications that the latter will continue to support the project.

5.1.2 **To support robust financial planning, the Council would like confirmation of the administration procedure for funding Mersey Gateway that will be applied going forward, particularly as the Department’s policy towards funding major schemes has gone**

through a series of consultation reviews in recent months (carried over from the last meeting).

- 5.1.3 Arrangements for monitoring the Regional Funding Allocation programme are now being put in place. We would like to understand how these arrangements sit alongside the major scheme monitoring we are following.

6.0 OTHER ISSUES

- 6.1 The major scheme bid for Silver Jubilee Bridge Maintenance is linked to Mersey Gateway in the Regional Funding Programme spending projections. We would like to advance the status of the combined strategy, drawing on an approval of the SJB bid, at the earliest opportunity. Once SJB is an approved scheme, the combined strategy can be developed in more detail.

TOTAL EXPENDITURE TO DATE - 1801

HEADING	CODE	BUDGET	TOTAL EXPENDITURE	BUDGET REMAINING
PROJECT MANAGEMENT SUPPORT	4000	£116,670.00	£12,637.23	£104,032.77
PUBLICITY & PUBLIC EXHIBITIONS	4001	£104,050.00	£12,074.69	£91,975.31
SCHEME REFERENCE DESIGN	4002	£712,080.00	£315,166.82	£396,913.18
ARCHITECTURAL ADVICE	4003	£70,000.00	£0.00	£70,000.00
MARINE SITE INVESTIGATION	4004	£320,000.00	£12,618.83	£307,381.17
TOPOGRAPHICAL SURVEYS	4005	£60,000.00	£0.00	£60,000.00
VARIABLE DEMAND PROJ APPRAISAL	4006	£744,530.00	£173,449.40	£571,080.60
BUSINESS CASE (INCL TOLLING)	4007	£47,100.00	£67,499.17	£-20,399.17
STATUTORY PROCESS	4008	£70,000.00	£69,917.16	£82.84
PREPARATION OF ORDERS & APPS	4009	£100,000.00	£0.00	£100,000.00
EIA & ENVIRONMENTAL STATEMENT	4010	£334,860.00	£96,383.33	£238,476.67
LEGAL ADVICE ON EIA/ES	4011	£50,000.00	£0.00	£50,000.00
PLANNING CONSULATATION	4012	£28,000.00	£0.00	£28,000.00
ENVIRONMENTAL SURVEYS	4013	£118,520.00	£86,496.65	£32,023.35
PUBLIC RESEARCH FOR S.I.A	4014	£36,040.00	£0.00	£36,040.00
LAND REFERENCING	4015	£0.00	£468.00	£-468.00
PUBLIC ENQUIRY PREPARATION	4016	£0.00	£0.00	£0.00
COUNSEL	4017	£30,000.00	£0.00	£30,000.00
PROCUREMENT STRATEGY	4018	£85,000.00	£0.00	£85,000.00
DEVELOPMENT PROCUREMENT CONT	4019	£120,000.00	£0.00	£120,000.00
OTHER HALTON COSTS	4020	£10,580.00	£1,419.61	£9,160.39
		£3,157,430.00	£848,130.89	£2,309,299.11

TOTAL EXPENDITURE TO DATE - 1802

INTERNAL STAFF	9200	£340,800.00	£84,396.16	£256,403.84
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TOTAL EXPENDITURE TO DATE	£932,527.0 5	BUDGET REMAINING	£2,565,702.95
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REPORT TO: Mersey Gateway Executive Board

DATE: 19 October 2006

REPORTING OFFICER: Mersey Gateway Project Director

SUBJECT: Procurement Strategy For Mersey Gateway

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 This report deals with the results emerging from the on-going market consultation on procurement options for Mersey Gateway.

2.0 RECOMMENDATION: That

(1) the preliminary results from the market consultation are noted pending further reports to the MG Executive Board that will enable a decision to be taken on the preferred procurement strategy for the project.

3.0 PROCUREMENT INVESTIGATIONS

3.1 The investigation of procurement options is centred on whether an early procurement approach would be both beneficial and deliverable. Early procurement, by inviting tenders before the scheme is progressed through the planning process, could help the Council to manage delivery risk and also provide more scope for the private sector to add value in whole life cost terms.

3.2 To support the consideration of early procurement a market consultation is taking place. Around twenty firms are taking part and we have already held meetings with about half of these. The consultation is intended to deal with the questions at Appendix 1. The project financial consultants KPMG will attend the meeting (Part 2) to present the consultation results we have received to date.

3.3 This report to the Mersey Gateway Executive Board is work in progress and when the investigations are complete a further report drawing conclusions from the work undertaken will be made.

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

Document	Place of Inspection	Contact Officer
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Market Consultation Questions

Appendix 1

Interested parties are invited to respond to the following questions. The questions assume responses from potential bidders for the project, but comments from third parties are also welcome.

Please note that responses to the following questions may have to be disclosed in the future by HBC to third parties under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. If you consider any of the information included in your responses to be confidential or commercially sensitive and should not be disclosed in the future, please clearly indicate this on the information when providing your response.

We would ask that responses are kept brief.

- 1 Would you be prepared to tender prior to the process of obtaining the various powers and consents for the project having commenced and if so on what basis?

Specifically, would you consider it likely you could bid firm prices for:

- Revenue
- Operating Costs
- Construction
- Maintenance

If not, on what alternative basis might you be prepared to bid, eg target price?

- 2 How would you consider you could add value to the project development and Public Inquiry process? Would you prefer to act on behalf of HBC or in partnership with HBC?
- 3 Would you be prepared to incur cost 'at risk' during the development process, and what limitations or commercial safeguards would you need to do so?
- 4 Would you be prepared to assume a degree of risk on changes in the cost of the Project arising from requirements imposed by the Public Inquiry, and if so with what limitations? How else might HBC manage this risk?
- 5 Would you be prepared to assume a degree of risk on changes to the cost of the Project due to delay in Public Inquiry delay risk, and if so with what limitations? How else might HBC manage this risk?
- 6 In what ways do you believe you could drive efficiencies in the Project if you could input into the design of the Mersey Gateway prior to Public Inquiry?
- 7 Do you have any other observations about the Project proposal outlined in this consultation document which you feel should be addressed at this early stage and benefit the procurement process?

The information that is provided by interested parties will be fed back into HBC's assessment of the procurement process and aid the decision of the preferred procurement route for the project.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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