

# Public Document Pack



## 3MG Executive Sub Board

Thursday, 2 April 2009 3.00 p.m.  
Marketing Suite, Municipal Building

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

**Chief Executive**

### COMMITTEE MEMBERSHIP

<b>Councillor Rob Polhill (Chairman)</b>
<b>Councillor Steff Nelson</b>
<b>Councillor Marie Wright</b>

*Please contact Lynn Derbyshire on 0151 471 7389 or email [lynn.derbyshire@halton.gov.uk](mailto:lynn.derbyshire@halton.gov.uk) for further information.  
The next meeting of the Committee is on Thursday, 25 June 2009*

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

**Part I**

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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.***

**3MG EXECUTIVE SUB BOARD**

*At a meeting of the 3MG Executive Sub Board on Thursday, 16 October 2008 in Conference Room 2, Municipal Building*

Present: Councillors Polhill (Chairman), Nelson and Wright

Apologies for Absence: None

Absence declared on Council business: None

Officers present: M. Reaney, S. McDonald, D. Sutton, B. Dodd, C. Halpin, D. Parr and D. Tregoe

Also in attendance: None

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

*Action*

ESB1 MINUTES

The Minutes of the meeting held on 13<sup>th</sup> November 2007 were taken as read and signed as a correct record.

ESB2 FINANCIAL REPORT, 3MG LANDSCAPE CONTRACT

The Board considered a report of the Strategic Director, Environment which confirmed that the 3MG Landscape contract would be delivered within the agreed budget of £1,170,381. However, the Board was notified, as required by Standing Orders Relating to Finance 5.1.5, that the agreed tender price would be exceeded by approximately 10%.

Members were advised that commencement of the landscaping works had been held back by several months due to delays in the diversion of the sludge main by United Utilities. The contract started on site in May 2008, and the contractor had made good progress, accelerating his programme in order to bring the works back on schedule. Members were provided with a map outlining the works (available on the Council's website).

The Board was further advised that it had been

necessary to include a number of unforeseen/additional items in the contract since it started on site, which would result in a projected overspend of the contract sum by £73,213.36, which represented just less than 10% over the tender sum of £762,236.09. A full description of the items was set out in Appendix One to the report. It was noted that a 10% contingency figure was normal for a project such as this one, however, Standing Orders relating to Finance require that expenditure exceeding 5% be reported to the relevant Executive Board.

The budget allocation for the project was £1,170,381, which was made up of funding from the North West Development Association, EDRF and Halton Borough Council's capital allocation to the 3MG project. The estimated total spend on the project of £835,000 would be accommodated within this budget allocation. The Council's capital contribution would be approximately £117,000 out of its project allocation of £163,853, giving a saving to the Council of approximately £47,000 on the original budget estimate.

RESOLVED: That the report be noted.

ESB3      PROGRESS      ON      IMPLEMENTING      THE      3MG  
MASTERPLAN

The Board considered a report of the Strategic Director, Environment which gave Members an update on the progress of implementing the 3MG Masterplan.

The Board was advised on progress in respect of the A5300 Western Approach, Network Rail's GRIP approvals process relating to the design of sidings, Landscaping, Halebank Recreation Ground, Private Sector Investment, Funding, Acquisitions and Skills and Recruitment.

The Board was provided with a map of the overall Masterplan and pictures of Halebank Recreation Ground (available on the Council's website).

RESOLVED: That

- (1)      the report be noted; and
- (2)      the Board support the continuation of the Masterplan Programme.

*Meeting ended at 3.20 p.m.*

**MINUTES ISSUED: 31<sup>st</sup> October 2008**

**CALL IN: 7<sup>th</sup> November 2008**

**Any matter decided by the Executive Board may be called in no later than 7<sup>th</sup> November 2008**

**REPORT TO:** 3MG Executive Sub-Board

**DATE:** 2 April 2009

**REPORTING OFFICER:** Strategic Director, Corporate and Policy

**SUBJECT:** NWDA Funding 3MG Phase 2

**WARDS:** Ditton and Riverside

## **1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to seek authority to enter into a Legal Agreement with the North West Development Agency.

**2.0 RECOMMENDATION: That delegated authority be given to the Strategic Director for Environment, in consultation with the Operational Director and Monitoring Officer (Legal, Organisation Development & Human Resources) and the Portfolio Holder for Planning Transportation Regeneration and Renewal, to negotiate and conclude funding arrangements with the North West Development Agency for 3MG Phase 2, not to exceed £1.74 million.**

## **3.0 SUPPORTING INFORMATION**

3.1 The Executive Board on 9<sup>th</sup> December 2004 (EXB162) adopted the Ditton Strategic Rail Freight Park Masterplan, now known as 3MG (the Mersey Multimodal Gateway). The NWDA supports the 3MG Masterplan and has proposed an 'in principle' allocation of £4.5m towards its delivery. This latest funding agreement is for 3MG Phase 2 works: an agreed qualifying expenditure of approximately £2,206,142 at an intervention rate of 82% making the proposed North West Development Agency grant funding equal to £1.74m.

## **4.0 POLICY IMPLICATIONS**

4.1 The Council adopted the 3MG Masterplan in December 2004. The 3MG programme is included in the Council's Corporate Plan, the Halton Partnership and Halton Borough Council Urban Renewal Strategy and Action Plan, and supports the Council's Urban Renewal corporate priority. The NWDA funding is essential to facilitate the delivery of 3MG.

4.2 The NWDA have offered £1.74m to progress 3MG. These funds are offered on condition that the Council enters into an NWDA Funding Agreement.

4.3 As is usual with such arrangements, the North West Development Agency places the balance of risk with the Accountable Body, in this

case Halton Borough Council. Although some have been negotiated away, the most prominent risks for the Council remain: -

1. That minor technical breaches can trigger (a) clawback of grant already paid to the Council and (b) withholding from the Council of grant funding held ready to be drawn down.

2. A duty of utmost good faith owed by HBC to NWDA to inform the Agency of anything which might conceivably adversely affect NWDA's interests under the Agreement.

4.4 These risks are similar to those previously accepted by Members in connection with other projects

## **5.0 OTHER IMPLICATIONS**

5.1 The Council has given a commitment to secure as much external funding as possible to support the delivery of 3MG. The North West Development Agency funding referred to in this report supports that commitment.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

None known.

### **6.2 Employment, learning and Skills in Halton**

Overall the 3MG programme will assist in providing job opportunities for local people and will go some way in addressing the level of unemployment in Halton.

### **6.3 A Healthy Halton**

The overall 3MG programme provides new walking and cycling routes as well as a bus service, which offer safe and affordable means of accessing key services and thereby can overcome many of the transport barriers often faced by people who do not own or have access to a car.

### **6.4 A Safer Halton**

The 3MG programme will provide much needed environmental improvements to the area.

### **6.5 Halton's Urban Renewal**

The 3MG programme is acting as a catalyst to attract developers and new businesses to the area by creating an attractive, well-accessed and serviced area, which provides a safe and attractive environment for employees and visitors.

## **7.0 RISK ANALYSIS**

7.1 There are risks to the Council in entering into the Contract with the North West Development Agency. These same risks have been acknowledged and accepted elsewhere, e.g. on the Widnes Waterfront Programme. In broad outline the risks are that minor breaches of the agreement (e.g. failures to provide, or delays in providing, information such as performance reports) can result in the NWDA having the right not only to discontinue funding for the future but also to demand the return of funding received prior to any breach of the agreement. This could have extremely serious consequences for the Council's services given that the maximum funding to be received under the agreement is £4.5m. The Operational Director and Monitoring Officer (Legal, Organisation Development & Human Resources) will be advising on this agreement, as with the Widnes Waterfront Agreement, but all the indications are that NWDA will resist any changes, which provide better protection for the Council. On balance the Chief Executive feels that the benefits of the scheme outweigh the risks.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

Not applicable.

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

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
DSRFP Masterplan	Major Projects	Sally McDonald