



Mersey Gateway Executive Board

**Monday, 21 July 2008 10.00 a.m.
Conference Room 1, Municipal Building**

A handwritten signature in black ink, appearing to read 'David W R'.

Chief Executive

BOARD MEMBERSHIP

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

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The next meeting of the Board is on Thursday, 25 September 2008*

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

Part I

Item No.	Page No.
1. MINUTES	
2. DECLARATIONS OF INTEREST	
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, with personal and prejudicial interests (subject to certain exceptions in the Code of Conduct for Members), to leave the meeting prior to discussion and voting on the item.	
3. PLANNING, TRANSPORTATION, REGENERATION AND RENEWAL PORTFOLIO	
(A) PROGRESS ON ISSUES RAISED WITH THE DEPARTMENT FOR TRANSPORT	1 - 4
(B) COMMENTS RECEIVED IN RESPONSE TO THE PUBLISHED ORDERS AND APPLICATIONS	5 - 8

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 Exec Board

DATE: 21st July 2008

REPORTING OFFICER: Mersey Gateway Project Director

SUBJECT: Progress on Issues Raised with the Department for Transport

1.0 PURPOSE OF THE REPORT

- 1.1 For Members to note the progress made with officials at the Department for Transport (DfT) leading to securing an agreement on the key issues of project value for money and project delivery, which we are required to achieve as part of the Programme Entry funding conditions.

2.0 RECOMMENDATION: That

The Mersey Gateway Executive Board note:-

1. note the progress made and the actions taken; and
2. the estimated scheme cost in outturn terms

3.0 SUPPORTING INFORMATION

- 3.1 Discussions with DfT officials continue to focus on reaching a consensus on value for money based on the revised traffic model outputs (as reported to MGEB on 19th May 2008). The funding agreement with Ministers require both value for money and deliverability to be reviewed prior to any Public Inquiry based on the results of the new traffic model. It was planned to settle these matters prior to making an application for the Transport and Works Act but the progress made combined with the extra assessments required by the DfT prevented this from being achieved. We have, however, made significant progress towards providing all the information requested and there are no concerns raised by DfT to date.
- 3.2 In assessing value for money and project delivery it has been necessary to estimate the project cost up to the opening of the new crossing in outturn terms. The base scheme cost of £390m in 2007 prices has been projected forward using current market estimates of price inflation in the construction sector. The results are given in Table 1 based on construction taking place between 2011 and 2014.

Description	£m
Whole project capital cost (January 2007 prices)	390
Design development increases March 2007	41
Estimated inflation to outturn prices (2012-2015)	147
Construction and land risk allowance for purposes of TWA Order	26
TOTAL PROJECT COST UP TO ROAD OPENING	604
Central expressway and SJB delinking outside the scope of the TWA Order.	(43)
Scheme Cost Covered by the TWA Order	561

Table 1: Projection of Project Cost in Outturn Terms (excl VAT)

- 3.3 The above estimate has been published in the Transport and Works Act Order but the total has been adjusted because the improvements to the central expressway and the delinking of Silver Jubilee Bridge are outside the scope of the Order (hence the adjusted figure of £561m at the bottom of Table 1 is the published scheme cost in the TWA Order).
- 3.4 The projected scheme costs in Table 1 have been input to the financial model along with estimated operating and maintenance costs over a thirty year period commencing in 2011. The revenue to pay for these costs is a combination of tolls collected on both the new Mersey Gateway Bridge and on SJB, plus the revenue support grant agreed with Government (£123m in PFI Credits). The financial projections (based on toll charges equivalent to Mersey Tunnels) show that the project revenue will be sufficient to cover the project costs after allowing for the cost of private finance and profit. The key results of the financial model submitted to the DfT are in Table 2

Year after opening	PFI support payment from Government	Gross Outturn Toll Revenue	Total Outturn Project Revenue Required	Surplus Toll Revenue
1	£8,801,380	£50,648,898	£58,723,437	£759,733
5	£8,801,380	£60,214,672	£66,372,748	£2,676,197
10	£8,801,380	£74,219,675	£75,784,185	£7,269,763
15	£8,801,380	£90,865,629	£85,937,915	£13,761,987
20	£8,801,380	£111,674,602	£97,620,131	£22,888,744
25	£8,801,380	£137,505,077	£110,799,201	£35,540,148

Table 2: Surplus Revenue Forecast based on Mersey Tunnel tolls.

- 3.5 The potential surplus toll revenue indicates the scope for further contingency should costs increase above the current allowance for inflation, or the potential for toll revenue to be passed back to the Council should we deliver the project based on the current financial assumptions. It should be noted however that the contingency is small in the early years of the new road opening. We expect DfT to conclude that the project remains on course to be delivered within the terms of the funding

agreement established at Programme Entry Approval with toll charges similar to those applying for the Mersey Tunnels.

- 3.6 The value for money assessment also uses the cost estimate in Table 1 and the project revenues in Table 2. Recent checks undertaken on the value for money assessment, in consultation with DfT officials, have produced improved results. The most likely forecast produces a benefit to cost ratio of 3.9 to 1 (BCR 3.9:1). It is therefore likely that the project will be confirmed as being high value for money (where BCR is greater than 2:1).

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 DfT officials have advised that they would be prepared to support a bid for development costs based on £6.4m in broadly equal payments over three years, commencing this year, but a final decision on whether to meet the full bid would be a matter for Ministers. To assist in reaching such a decision, we have been asked to consult the region's Transport Board on the potential for meeting a contribution to preparation costs out of the RFA programme. This consultation is progressing well with the proposal being supported by the NW Development Agency and Merseyside Leaders and Chief Executives. We expect to be able to confirm the support of the region over the summer to DfT who will then consult the Minister for a decision. We should be in a position to report the details of the submission to the Minister at the next MGEB in September.

6.0 RISK ANALYSIS

- 6.1 Addressing the value for money and affordability issues with the DfT will deliver a project endorsement that will satisfy funding conditions and demonstrate DfT support the project through the statutory planning process. All the work we have been asked to undertake by DfT officials has now been submitted and we expect a favourable recommendation to be reported to the DfT Management Board towards the end of July. The quarterly progress meeting between the Mersey Gateway project team and DfT officials on 14 July should confirm the content of the draft recommendations to be reported to the DfT Board.

7.0 EQUALITY AND DIVERSITY ISSUES

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

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

- 8.1 Files maintained by the Mersey Gateway Project Team and by the Highways and Transportation Department.

Item 1

REPORT TO: Mersey Gateway Exec Board

DATE: 21st July 2008

REPORTING OFFICER: Mersey Gateway Project Director

SUBJECT: Comments Received in Response to the Published Orders and Applications.

1.0 PURPOSE OF THE REPORT

- 1.1 To provide an interim report to members, pending the termination of the formal consultation period on 18 July, on the expressions of support, representations and formal objections received in response to the published Orders and Applications for Mersey Gateway, and the action taken to resolve issues raised in formal objections.

2.0 RECOMMENDATION: That

The Mersey Gateway Executive Board note:

- (1) the formal responses received to date; and
- (2) the action taken to resolve Objections.

3.0 SUPPORTING INFORMATION

- 3.1 For a project of the size and complexity of Mersey Gateway, the response received at the date of publication of this report has been relatively low key. At the meeting on 17 July an oral up date will be given by the Project Director relating to any additional expressions of support, representations and objections received, and it should be noted that more objections than reported herein are expected.

- 3.2 A summary of the parties and institutions that have responded with expressions of support, representations or to record a formal objection are listed at the annex, alongside a summary of the issues raised. In total we have received the following response:

Expressions of Support	: 4
Representations	: 15
Formal Objections	: 23

- 3.3 It is encouraging to receive the confirmation of support from the NW Development Agency, Cheshire Police and neighbouring St. Helens and Vale Royal Borough Councils.

- 3.4 Key formal objections received from institutions to date include the Environment Agency and Natural England who share a concern over the delivery of appropriate mitigation proposals to deal with the ecological impact of the project. The published proposals include the enhancement of large areas of local salt marsh to create improved habitat and local amenity. The published Compulsory Purchase powers in the Transport and Works Act Order include the area of salt marsh where it is proposed to undertake these mitigation works. We are therefore confident that the proposals are equitable in mitigating the ecological impact of the project and we expect to reach agreement with Natural England and the Environment Agency leading to the objection being withdrawn.
- 3.5 A meeting is taking place with the Highways Agency on 7th July to address concerns raised in a formal representation to the Planning Applications. The Highways Agency has not issued a formal objection to date.
- 3.6 We understand from recent communications with Warrington Borough Council that they will be supporting the scheme but will be expecting mitigation for potential impacts on the road network in Warrington. The project team is already in discussion with Warrington on this issue.
- 3.7 We also understand that the Merseyside PTE are likely to approve resolutions from the PTA to object to the Transport and Works Act Order and make representations to the Road User Charging Order on account of the effect of the operation of the new bridge on the Mersey Tunnels. A meeting has been called by the PTA on 14th July to authorise the objection. The project team has offered to hold a meeting to discuss the concerns of the PTA and to assist the PTA with an Exhibition of the proposals.
- 3.8 Objections from the public are confined to concern expressed by Halton Lea and Halton Brook ward Councillors and residents along the Central Expressway in Runcorn. The concern relates to increased traffic and the environmental consequences. A local meeting was arranged by Councillor Lowe at Halton Lodge on 1st July for residents of Halton Lea ward. The project team provided exhibition material and four members of the team attended the meeting and responded to concerns raised by residents. Councillor Bryant has invited the project team to attend a meeting of the Runcorn Residents Association on 16th July. In particular the team will explain how the effects of increased traffic will be nullified by noise barriers and landscaping proposals.

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 The effort required to address objections will impact on project budgets. At the moment the level of response is in line with the resources predicted to be required.

6.0 RISK ANALYSIS

- 6.1 Resolving objections are included in the project risk register where critical risks are reported routinely to the Project Board.

7.0 EQUALITY AND DIVERSITY ISSUES

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

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

- 8.1 Files maintained by the Mersey Gateway Project Team and by the Highways and Transportation Department.

Mersey Gateway - Summary of Formal Representations received by 3rd July 2008

Name	OBJ/REP/SUP	Issues
Anglo Plant Hire	OBJ	CPO - site access affected
Appleton Commercial Engineering Ltd	OBJ	Disruption and upheaval in Widnes
Berford Properties	OBJ	Access from Moor Lane affected
Bold Nu-Tec Insulation	OBJ	CPO
CPRE	OBJ	Climate Change, Travel Patterns, Green Belt/Open Space, Biodiversity, Water, Noise, Air Quality
Fairview Windows	OBJ	CPO
Fordgate Ltd	OBJ	Impact on Halton Lea Shopping Centre - signing strategy required
Halton Friends of the Earth	OBJ	Highways, Visual Impact, Noise, Light Pollution, light Rail, Access to Hospitals, Ecology, Health, Climate Change, Contamination, Air Quality, Construction Impacts
ID4 Living	OBJ	CPO - impact on development scheme
JE&E Drinkwater and their Tenants	OBJ	Temporary closure of Hutchinson Street, Widnes - access to properties
Jim Ballantine	OBJ	Misleading Poorly Managed Notifications, Traffic in Populated Areas, Air Quality, Noise, Health, Costs
Jimmy Doran	OBJ	Access to property, disruption during construction
Ken Martin	OBJ	Delinking of SJB
Kenneth Beech	OBJ	Lodge Lane Traffic Increase & Construction Impact, Noise Air Quality, Health, Visual Amenity of Property
Merseyside Environmental Advisory Service	OBJ	Habitats Regulations Assessment
Mr Mc Laughlin	OBJ	Noise & Vibration, Health
National Grid	OBJ	Protection of apparatus
Natural England	OBJ	Potential Impacts to Mersey Estuary, The ES, The Mersey Estuary & Hydrodynamics, Landscape & Visual Assessment, Effects on landscape character perception, Recreation, amenity, accessible natural greenspace & green travel, Landscape & Environmental aspects of toll collection.
Peter Black	OBJ	Environment, climate change, benefits, increase in traffic, public transport links, cycling and walking links, visual impact
Preston Brook Parish Council	OBJ	Tolling
Redman Heenan Properties	OBJ	CPO
Transport Activists Round Table North West	OBJ	Sustainability, Water Quality, Biodiversity, Air Quality, Land Use & Transport Policy, Travel Choices, Social Exclusion (Tolling), Health
Environment Agency	OBJ	Mitigation & Enhancement, Hydrodynamics, Flood Risk Assessment, Watercourses, Contamination, Water Quality
British Waterways	REP	No Objection
CAA Safety Regulation Group	REP	Aviation
CABE	REP	Bridge Design, regeneration and masterplan
Cheshire County Council	REP	
Daresbury Parish Council	REP	No Objection
Ellesmere Port and Neston BC	REP	No Comment
English Heritage (North West Region)	REP	No Comments
Forestry Commission	REP	Black Poplars - opportunity to plant
Government Office of the North West	REP	EIA's now accepted in CD Format
Halton Lea Ward	REP	Impact on Residents at Halton Lodge, Noise Pollution, Mitigation, Objects being thrown from Bridges
Highways Agency	REP	Traffic modelling
Liverpool John Lennon Airport	REP	No Objection
Michelle Ann Clunie	REP	Lodge Lane Plans, Timescale, Noise, Property Values
Mrs Barbara Manley	REP	Traffic on Central Expressway, New Homes at Halton Brook
United Utilities Water plc	REP	Drainage Adoption, Diversions, SUDS
Cheshire Constabulary	SUP	Benefits to sub-region, reduction in congestion, improved facilities for public transport, cycling and walking
North West Regional Development Agency	SUP	Congestion Relief, Reliability, Accessibility
St Helens Council	SUP	
Vale Royal Borough Council	SUP	Improved transport links between West Cheshire and Merseyside