

MERSEY GATEWAY EXECUTIVE BOARD

*At a meeting of the Mersey Gateway Executive Board on Thursday, 24 January 2013 in
The Board Room - Municipal Building, Widnes*

Present: Councillors Polhill, R. Hignett, Jones, J. Stockton and Wharton

Apologies for Absence: None

Absence declared on Council business: None

Officers present: E. Dawson, L. Derbyshire, S. Nicholson, M. Noone, D. Parr and
M. Reaney

Other Apologies: Councillor McDermott (Observer)

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

MGEB12MINUTES

The Minutes of the meeting held on 29 November 2012 were taken as read and signed as a correct record.

MGEB13MERSEY GATEWAY - PROPOSED PROCUREMENT
BUDGET - DRAFT FINAL TENDER TO FINANCIAL CLOSE

The Board considered a report of the Chief Executive which gave details of the current position relating to the Mersey Gateway Project Development Budget covering the concluding phase of the procurement process from the Evaluation of the Draft Final Tender to Financial Close.

The Board was advised that the actual funding required to progress procurement to the Draft Final Tender stage was £12.9m and the additional £500k had been included in the outline budget set out in Appendix 1 to the report. The budget continued to come under pressure because of additional work which had required considerable input from the project's legal and financial advisers. It was reported that the activity of the project team was largely dependent on reacting to the discussions with the three main bidder consortia with the aim of driving best value bids. The selection of the Preferred Bidder would also influence the amount of work required to be undertaken before Financial Close. The Project Team were, however

committed to progressing only those tasks which were deemed critical to the procurement process of the Project and the resources in the core team were being utilised fully before consultants were deployed.

The Board was further advised that on 30 August 2012, the Project Team (in conjunction with HBC Finance) had written to the Department for Transport (DfT) requesting an increase in the Department's contribution towards preparation costs for the Mersey Gateway scheme by utilising the forecast underspend within the £86m capital grant. The DfT had responded on the 14 December 2012 agreeing to advance £5m in 2012/13 from the agreed capped £86m of development cost funding. The funding, however was to be made available in the form of £3m of revenue grant and £2m of capital grant, which should assist the Council in terms of the current discussions with the Audit Commission (now Grant Thornton) surrounding the issue of capitalisation of Mersey Gateway Development Costs. The DfT had since requested that their contribution must be claimed and utilised during the current financial year.

It was reported that the relaxation provided access to the approved grant for the additional development costs and would assist the Council to conclude procurement. The budget was now being allocated based on £5m being sufficient to reach Financial Close. However current projections indicated that it would be prudent to consider contingency arrangements to cover delivery risk in the event that £5m was proved to be inadequate. A contingency of an additional £1m was thought to be appropriate to cover the level of uncertainty. A request had also been made within the letter for an additional £1m contingency amount in addition to the £5m contribution. Although the DfT remained silent on this, the Project Team recommended approaching the Department for a response on this particular issue should further funding prove to be necessary to achieve Financial Close.

In conclusion, it was reported that the initial allocation of the £5m budget was set out in Appendix 1 to the report for approval. The projections were based on £5m being sufficient to cover the work assumed to be required to achieve Financial Close before the end of October 2013. Any delay was likely to result in additional funding being required and this was indicated in the table at Appendix 1. It was noted that the allocation of the budget between the task headings included in Appendix 1 was work in progress and as such may alter slightly. However, it was reported that such changes would be reported to the Board. In addition, it

was reported that the resource levels within the Core Project Team were over capacity and no further opportunities existed to re-distribute consultant tasks internally.

RESOLVED: That

- (1) The report be noted; and
- (2) The proposed budget for the Mersey Gateway Development Costs up to Financial Close be approved.

Chief Executive

MGE14SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) Whether Members of the press and public should be excluded from the meeting of the Board during consideration of the following item of business in accordance with Section 100A (4) 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 Schedule 12A of the Local Government Act 1972; and
- 2) Whether the disclosure of information was in the public interest, whether any relevant exemptions 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 outweighed that in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business in accordance with Section 100A(4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

MGEB15DRAFT SUBMISSION TO CLOSE THE COMPETITIVE
DIALOGUE PROCESS

The Board considered a report of the Chief Executive which explained that the Competitive Dialogue process was now in the final stages. Plans were being implemented to close dialogue and to invite the three Bidders to submit their Final Tenders which would form the basis for a Preferred Bidder selection. The report advised the Members of the progress made in settling key issues that would enable this action to be taken.

RESOLVED: That

- (1) The progress made towards completing the Competitive Dialogue phase of procurement be noted; and
- (2) Delegated authority be granted to the Chief Executive, in consultation with the Leader, the Portfolio Holders for Transportation and Resources, Operational Directors for Policy, Planning and Transportation, Legal and Democratic Services, Financial Services and the Mersey Gateway Project Director to determine when it is appropriate to close dialogue formally and to invite Final Tenders.

Chief Executive

Meeting ended at 3.48 p.m.

MINUTES ISSUED: 25 January 2013

CALL-IN: 1 February 2013

Any matter decided by the Mersey Gateway Executive Board may be called in no later than 5.00pm 1 February 2013