

**REPORT TO:** Mersey Gateway Executive Board

**DATE:** 20 July 2006

**REPORTING OFFICER:** Mersey Gateway Project Director

**SUBJECT:** Progress Report

**WARDS:** Boroughwide

## **1.0 PURPOSE OF THE REPORT**

1.1 This report is the first in a series of progress reports to the Mersey Gateway Executive Board (MGEB) as part of the new governance arrangements that are now operating to support the delivery of the Mersey Gateway project.

## **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 21 July 2006: and
- (2) the more detailed project budget covering an expenditure forecast for this current financial year and for 2007/8 be approved.

## **3.0 PROGRESS REPORT**

- 3.1 The Council's Executive Board approved the formation and delegated authority of the MGEB at its meeting on 22 June 2006. The approved terms of reference are included in the meeting papers (agenda item 1).
- 3.2 The new project structure is now being implemented. Substantive progress has been made in the following areas.

### **Core Project Team**

- 3.3 Interviews for the three Project Team roles that have been advertised internally are to take place in late July. The aim is to have positions filled in early September. Gifford have provided Claire Hall, as Mersey Gateway Project Manager, on secondment terms to the Council and Claire took up her new position on 3 July 2006.

## **Commission Arrangements for Consultant and Advisors**

- 3.4 The procurement arrangements with specialist consultants and project advisors are in the process of being refreshed or procured. Details of proposals and the progress made with implementation is due to be reported to the Council's Executive Board Sub-Committee on 20 July 2006 (copy of report at Part II of the agenda, item 5).

## **Liaison with Department for Transport**

- 3.5 The funding conditions stipulated by the Department require scheme progress reports to be submitted at quarterly intervals. The first report has been forwarded to the Department and is due to be discussed at a meeting on 21 July 2006. The progress report is attached at agenda item 3. A paper addressing the statutory procedures to be followed is included in Part II of the agenda, item number 6.

## **4.0 PROJECT BUDGET**

- 4.1 A strategic budget of £14 million to deliver Mersey Gateway to the commencement of construction was included in the arrangements for taking the project forward agreed by the Council's Executive Board on 20 April 2006. A more detailed breakdown of the budget required to progress the scheme over the next two years has now been produced and this is to be discussed at item 7.
- 4.2 The current capital expenditure is being met by prudential borrowing. At the commencement of the current financial year £3,729,472 was available to fund future development costs. The Board will note that this will be sufficient to cover projected expenditure for the current financial year but subsequent expenditure will require an additional borrowing facility, drawn against the Council's Strategic Priorities Fund, reduced by the amount received from contributions now being sought from third parties.
- 4.3 The Chief Executive has written to the Mersey Gateway supporting authorities and to NWDA to suggest an equitable scheme for sharing the development cost for Mersey Gateway. The aim is to raise 50 per cent of the £14 million projected development cost through third party contributions. The proposal has been discussed by Merseyside Authorities Chief Finance Officers who advise that the best option for securing the financial contribution would be to 'top slice' the region's block Local Transport Grant from 2008/9 onwards. Such a proposal will now be reported to the Merseyside Leaders meeting in August.
- 4.4 Cheshire County Council has advised it cannot support the proposal. We have not received any response from Warrington Borough Council.

4.5 Potential contributions, including possible private sector interests, will continue to be investigated towards the aim of raising half of the development cost budget.

**5.0 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>
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