

ECONOMY AND ENVIRONMENT COMMITTEE: MINUTES

Date: Thursday, 12th April 2018

Time: 10.00 a.m. to 11.30 a.m.

Present: Councillors: D Ambrose-Smith, I Bates (Chairman), R Fuller, L Harford (substituting for Cllr Connor), D Jenkins (substituting for Cllr Adey), L Jones (substituting for N Kavanagh), S Tierney, J Williams and T Wotherspoon (Vice Chairman).

Apologies: D Adey, D Connor, D Giles and N Kavanagh

101. DECLARATIONS OF INTEREST

None

102. MINUTES

The minutes of the meeting held on 8th March 2018 were agreed as a correct record.

103. MINUTE ACTION LOG

The following oral updates were provided on the Log since the agenda publication:

Minute 97 Wintringham Park Planning Application

- a) Further to the response included on the March agenda which had already been sent to the District Council, the Members comments made at the March meeting were verbally reported on from Council officers to the District Council, with the application subsequently approved by Huntingdonshire Development Management Panel. Section 106 negotiations were continuing. In addition, an education addendum had been prepared and a meeting set up between County Council and District officers to address the issue of child yield calculations in development sites.
- b) The letter to Highways England highlighting the need for the A428 upgrade to be expedited in advance of the development being built, was sent on 4th April and had been included as an appendix to the Committee running order received by the Committee in advance with public copies made available at the meeting. **The letter is attached as Appendix 1 to these Minutes.**

Minute 16 - Bikeability Cycle Training sponsorship

With reference to the above for which a report on funding options was due to come back to the June meeting, one Member asked if officers had approached 'Cambridge Assessment' on whether they could provide any assistance. **Action: The Democratic Services officer indicated that he would ask the question of the lead officer for cycle projects following the meeting.**

The Minute action log with the above updates was noted.

104. PETITIONS AND PUBLIC QUESTIONS

No petitions were received. One public question had been received and as it related to the first substantive report on the agenda was taken as part of the proceedings for that report as set out below in Minute 105.

105. ELY SOUTHERN BYPASS – COST AND ADDITIONAL FUNDING REQUIREMENT

This report was presented to the Committee to report changes to the cost and programme for delivering the Ely Southern Bypass and to consider the requirement for additional funding.

In 2011 the County Council committed to deliver a solution to the long-standing congestion problems caused by the layout of the level crossing and underpass on the A142 at to the southeast of Ely and agreed to borrow, if necessary, the full cost of an appropriate scheme. Full option appraisals were undertaken and following this the most viable solution was for a bypass to the south of the city, crossing the river great Ouse, its floodplain and railway lines. On 25th November 2014 this Committee approved procurement of the design and construction through a New Engineering Contract 3 (NEC3), Target Cost, two-stage Design and Construct contract.

Following a long, iterative development and approval process, the Project Board set up to oversee the detail discussed the risks in shortening the tender and design time, but emphasised the importance of quick delivery of the scheme. The tender documents and contract were prepared to facilitate the earliest possible start on site and the contract was tendered on the basis of the indicative design developed for the planning application. Stage 1 would develop this into a more detailed engineering design, with Stage 2 being design completion and construction. The Stage 1 contract (developed design) was awarded in August 2016. The developed design was used to derive a Target Price for the full engineering design and construction. A Target Price of £27,470,909 for the design completion and construction was agreed and work on site commenced in January 2017. It was reported at the time that this sum held no risk or contingency and that additional funding would need to be sought to meet any increase in cost.

The report and officer introduction explained that during construction a number of significant challenges had arisen which resulted in increases to the scope and quantity of work that the contractor had to undertake, contributing to the cost increase resulting in significant cost escalation and an extension to the programme. As construction had progressed, a number of issues arose principally related to the combination of the complexity of the design of the structures necessary to mitigate the environmental impact and secure planning consent, ground conditions, third party requirements, site constraints, and the requirement for the quickest possible delivery. It was explained that ground conditions were even worse than had been expected and that bore hole analysis indicated that while going 30 metres down had been expected to provide sufficient friction to support piling, in the event they had to go down to 40 metres to find sufficient support which in turn required additional concrete and steel materials.

In terms of current progress, all railway bridge beams were now installed and river viaduct beams were being placed, both of which are key milestones in the project, and while completion had originally been set at May 2018, the forecast was now October.

Edward Leigh from Smarter Cambridge Transport who had given notice to speak and submit a question in line with the Council's Public Speaking provisions was next invited to address the committee. His presentation as background to his question included:

- In acknowledging that there was not any issue regarding the need for such a bypass, his concern was more the cost and whether a cheaper alternative should have been investigated further. He highlighted that in his view the requirement for fast construction had increased the cost, some of which was due to insufficient initial design.
- He highlighted that the repayment of the additional borrowing requirement of £13m would come out of the Council's revenue budget, which was already under severe pressure and as an additional spending commitment would necessitate further cuts to services. As a point of reference, he highlighted that the initial annual loan repayment was comparable to the savings sought by closing children's centres.
- The contract strategy chosen effectively placed no upper bound on the contract price, with the risk shared with the contractor. However, given the size of the Council's additional commitment, it looked like the contractor's additional direct costs would be met, with only their profit margin reduced. He also questioned whether without an independent audit, the Council could be sure of the costs presented by the contractor.
- General Purposes Committee had no choice but to agree the additional costs but its decision would impact on the Council's available finances for the next 40 years and questioned whether if the Council had been aware of the full potential costs, it would have agreed to the option pursued.

His question to the Committee was: "How does this committee justify its decision to pursue a high risk contract strategy, with no upper bound on the costs and no contingency to cover the inevitable overspend, which will now necessitate further cuts to council services to fund loan repayments?"

The Chairman invited any questions of clarification. In response to a question from a Member, Mr Leigh confirmed that he would have expected a contingency sum to have been included in the contract estimates to take account of contract cost increases, as in his opinion, the contract strategy approved had been high risk.

The Chairman indicated to Mr Leigh that in order to provide a comprehensive response to his question, he would receive a formal response in writing within ten working days from the date of the meeting. **Action: Brian Stinton to provide draft to Cllr Bates to enable the response to be sent.**

Two other written representations from the Cllr Richard Hobbs Right Worshipful Mayor of the City of Ely Councillor for the City of Ely Council and District Council for Ely East and from local County Councillor Bill Hunt both supporting the report recommendations, were read out at the meeting. **These are included at appendix 2 to these minutes.**

Questions / issues raised by Members included:

- Due to the cost increase in the project for which the Council had no choice but to agree, there was a request that Internal Audit should review the costs of the project and what lessons could be learnt. It was indicated that Internal Audit would be reviewing the project as part of their review of larger capital programme overspends. **Action: Democratic Services to inform Internal Audit of the Committee's requirement that such a review is undertaken and that their conclusions should be shared with this Committee.**
- Reference was made by a Member to Network Rail's and Keir Group's bridge project over the river Ouse in 2007 which as a matter of public record had cost £9m to span 100 metres due to similar geological difficulties. He suggested that on this basis it seemed incredulous that a report to the Committee was saying that a project of the magnitude of the Ely Bypass would only cost three times as much. He suggested that if reference to this project had been included in the original report this could have given more context to Members questioning the cost proposals originally presented. In reply it was explained that reference had not been made to this project in the original report but that officers were well aware of its contents. Officers were aware of the poor ground conditions and had conducted bore hole investigations but it was only excavations during construction that had provided the evidence of how much deeper foundations would have to be dug. As an example dry dust had been found in some of the excavations for the piles supporting the bridges, which had not been found in the trial boreholes.
- Another Member asked whether a Benefit Cost Ratio (BCR) calculation had been undertaken with the revised costs. It was explained that the BCR calculations that had previously been undertaken had not been revised, but were considered to have underestimated the benefits, as the congestion caused by the level crossing had restricted traffic growth on the A142 and the scheme had significant wider benefits for the economy over a large part of the County.
- One Member questioned the remit of the Project Board, suggesting that they had taken decisions that should have come back to full Committee and did not have the democratic mandate to take decisions regarding Council borrowing. It was clarified in response that the Project Board was only advisory, as the original Committee decision had delegated to officers the authority to make detailed decisions once the contract had been agreed.
- Reference was also made to the Board's emphasis that the Project should not be delayed (paragraph 1.5), suggesting that it would have been better to have delayed by six months to ensure better information was available on the project risks, as it would potentially last a 100 years. In reply it was stated that the short procurement and design period was not considered to have significantly affected

the final cost, as the additional costs reflected the actual cost of construction, and the effect of a longer procurement and design periods would have been to establish these costs before construction began. On the figures provided and making reference to the additional cost of piling only adding £88k to the cost, there was a request for greater clarity regarding what the actual additional cost was due to the ground conditions. Also the figures provided in the appendix did not appear to add up to the total being reported as additional required expenditure. It was explained in reply that the cost of £88k was for sheet piling for the temporary coffer dams around the foundations and not for the bored piling that formed the bridge foundations. The breakdown in Appendix 2 had only included the larger items over £40,000. There were a considerable number of smaller cost items that had not been listed. The intention had been to show only the significant items that had contributed to Estimated Scheme cost increase.

- Councillor Jenkins made reference to an amendment that he had made to the original recommendations in 2014, seconded by the then Councillor Mason, which had been agreed to appoint an independent person to sit on the board and asked if this had happened, and whether they had contributed to the Board's discussions. With reference to paragraphs 2.1 and 2.2 there was a request to explain why the management and supervision cost had increased three times as referenced in Appendix 2 to the report. In response to the above questions it was explained that WYG had been brought in as independent project managers and supervisors as had been requested to scrutinise costs. When it became clear that there were additional unexpected costs, County Council officers requested that WYG brought in additional staffing resources in order to be able to scrutinise every invoice and bill, and this considerable, additional resource was the reason for the increase in cost.
- Asking how confident the officer team were that the ceiling had been reached and that there was still not the risk of additional, substantial unexpected costs. The response was that confidence was now at its highest given that all large costs had been identified and with the bridge beams now in place over the river, the risks were reducing by the day. There was even the possibility that the road might come in slightly under the new estimated cost.

In line with the Constitution, a recorded vote having been requested by five members of the Committee, was subsequently taken on the report recommendation. The results were nine votes in favour (Councillors D Ambrose-Smith, I Bates, R Fuller, L Harford, D Jenkins, L Jones, S Tierney, J Williams and T Wotherspoon) no votes against and no abstentions.

It was therefore resolved unanimously to:

Note the increase in scheme costs and request General Purposes Committee (GPC) to allocate the additional funding required of £13m to complete the scheme.

106. CAMBRIDGESHIRE AND PETERBOROUGH DRAFT MINERALS AND WASTE LOCAL PLAN PRELIMINARY DRAFT

On 10 August 2017 this Committee agreed to proceed with the preparation of a new Minerals and Waste Local Plan along with a timetable to be prepared jointly with Peterborough City Council to set out planning policy to guide future minerals and waste development, and planning decisions on such proposals, over the period to 2036. When adopted, it would replace the existing Minerals and Waste Plan (Core Strategy 2011 and Site Specific Proposals Plan (2012)). This report asked the Committee to consider the preliminary draft Cambridgeshire and Peterborough Minerals and Waste Local Plan for the purposes of undertaking public consultation commencing in May 2018.

This first stage preliminary consultation (often described as an 'issues and options' stage) aimed at seeking views from consultees, including the public, on what the new Plan should contain. It sets out key issues and options, and what the proposed approach or policy might be, with the purpose of encouraging a meaningful debate and obtaining feedback to inform drafting a full local plan for further public consultation. It did not include any sites for mineral or waste management development as at this stage it was not yet known how much mineral and new waste management capacity was needed.

In terms of mineral supply the reports sought views on the suggested key elements that could inform the level of provision for aggregates and also where mineral extraction should be located. The report detailed the factors which might influence the location of waste management facilities for which views would also be sought and which are indicators of the security of supply and the additional provision that may need to be made.

Part two of the document invited a 'call for sites' to the industry, landowners, and other parties and also sought views on whether sites allocated in the existing Plan should be carried forward. The preliminary draft also set out for discussion potential policies which might be used to guide decisions on planning applications. This included important matters such as highway impacts and effects on biodiversity. It was highlighted that the impact of the movement of mineral and waste by Heavy Commercial vehicles (HCV's) had been a key concern when the last Plan was prepared; and it was suggested that a more robust approach could be taken in the new Plan to propose close proximity to the HCV network as being a factor embodied in the spatial strategies to guide the location of new development; and a policy requirement to show how proposals relate to and would use the HCV network; as well as how routing arrangements being put in place and enforced. Views received would inform the draft policies included in the full plan which will be published for consultation in 2019.

The following three single sheet key diagrams were tabled for Members as helpful background documents on geology and existing allocations / sites with copies being made available for the public:

Minerals – including details on existing significant facilities, geological features of where the deposits were in the County, strategic allocations and broad locations for future facilities (**Appendix 3 to these Minutes**)

Waste Management - including details on existing significant facilities, strategic allocations and net waste optimal localities (**Appendix 4 to these Minutes**)

Waste Arising 2016 pie chart - showing the breakdown of waste produced in the Plan area of which 16% municipal was from households which would rise as more housing was built. (**Appendix 5 to these minutes**)

Issue raised by Members included:

- Asking with reference to the 12 headline objectives set out on pages 48-51, what process and analytical tools was used to determine which were more important to ensure public confidence in the robustness of the approach. In response it was indicated that weighting was allocated to the objectives but that this had to be undertaken on a site by site basis using relevant policies and national site assessment methodology documents, as for example health and well-being might be a higher consideration on one site compared to another. However as there would always be grey areas this was where member input was welcomed as they might in some cases chose a different weighting for a particular objective. The headline objective would be considered in the sustainability appraisal as part of the public consultation, and the draft site methodology was also being published to demonstrate how sites would be assessed by officers: so it was noted that both documents would be available for comment as part of the public consultation.
- It was suggested that the consultation should emphasise that it was an 'issues and options' document as this was likely to attract greater interest from the public, alerting them to its actual contents, rather than the more formal title.
- The need on major construction sites to seek to use borrow pits once they were no longer needed, to help contribute to flood mitigation schemes. The Member who raised it had particular concerns as in her experience on borrow pits was that access to them was often prevented to enable them to be used for this purpose as the land where they were located was often privately owned. The officer understood the concerns expressed and while the Plan could be used for a minerals application as part of a development assessment, it was taken out of the hands of the County Council when it was not involved in the delivery.
- It was suggested by one Member that the table in 2.5 should be turned into a graph. In reply it was explained this was not possible as there were such a mixture of factors.
- In reply to the question on where energy recovery from waste fitted in, this was to be looked at in detail as part of reviewing the waste needs assessment. This would involved looking at the forecast need for energy recovery: including that which may arise from diverting waste from landfill. It was also explained that from early indications from the waste needs assessment (to be published as part of the public consultation) that there was a predicted shortfall in Energy Recovery from 2016.
- It was suggested that a seminar should be organised in due course with the invitation extended to not only all County Councillors, but also district councillors.

Action Emma Fitch / Ann Barnes

It was resolved unanimously to:

- a) approve the attached Cambridgeshire and Peterborough Minerals and Waste Local Plan - Preliminary Draft for the purpose of public consultation commencing in May 2018.
- b) delegate to the Executive Director, Place and Economy in consultation with the Chairman and Vice Chairman of the Committee, the authority to make any minor non-consequential amendments to the consultation document attached, prior to consultation.
- c) delegate to the Executive Director, Place and Economy, in consultation with the Chairman and Vice-Chairman of the Committee, the authority to make more substantive changes to the document prior to consultation, if it would address any substantive suggested amendments arising from the Report's consideration by Peterborough City Council's democratic process.

107. FINANCE AND PERFORMANCE REPORT – FEBRUARY 2018

The Committee received the latest Finance and Performance Report for the period to the end of February 2018 to enable it to comment on the projected financial and performance outturn position. It was explained that the Outturn Report would be reported to the next Committee meeting.

The main issues highlighted were:

Revenue: the one major change since the last report was the increased forecast overspend on winter maintenance (An increase of £496k) due to the need for the service to respond to the severe weather conditions with increased gritting provision and highways remedial works. This overspend figure had been reduced as a result of several smaller new underspends with the forecast bottom line position across the Economy, Transport and Environment (ETE) budget being a £234k overspend.

Capital; the following two changes were reported whereby the in-year forecast expenditure had reduced and the expenditure and budget was to roll forward to the new financial year:

- King's Dyke: Land costs, which were assumed to be spent in 2017/18, will now be paid in 2018/19 creating additional in-year slippage. Forecast spend this financial year is now £1.6m against the budget profile of £6.0m.
- Guided Busway: part one compensation payments are likely to be a maximum of £500K creating slippage of £700K in total.

Performance: on the twelve performance indicators: one was currently showing as red (the average journey time per mile during the morning peak on the most congested routes) four were showing as amber (the same as in the previous report), and seven green (the same as in the previous report). At year-end the current forecast was that no performance indicators would be red, five would be amber and seven green.

With reference to page 118 on the Performance Indicators one Member wished to place on record her appreciation of the performance on '*the percentage of County Matter Planning Applications determined within 13 weeks*' which reflected incredibly well on the staff involved. There was a request that the Committee's acknowledgment of the performance was passed on to the relevant staff. **Action Graham Hughes / Sass Pledger.**

One Member asked with reference to those performance indicators with a specific health benefit whether any of the performance indicators had been developed in consultation with other committees, as she had not seen any request for comments at any of the Health Committee meetings she had attended. The Executive Director provided assurance that the relevant indicators were developed working closely with colleagues in Public Health, but acknowledged that in the past they had not been shared with the Health Committee. Officers were currently in the process of reviewing the current performance indicators set and a report was scheduled to be received at a future committee. The point she had made regarding inviting other committee's comments / input into future proposed performance indicators could be looked at as part of this review. **Action: Graham Hughes / Tamar Oviatt-Ham**

Having reviewed and commented on the report it was unanimously resolved to note the report.

108. ECONOMY AND ENVIRONMENT COMMITTEE TRAINING PLAN

Oral updates were provided on the following seminars requested by the Committee:

- **Page 145 the Combined Authority** slot due to have been included as part of the Member seminar on 16th March had been cancelled at the request of the Combined Authority. Officers were seeking a new date from them which could potentially involve a replacement date in June.
- **Page 148 A14 site visit** – as an oral update it was reported that the final invitation for the 12 places available had been opened up to all Councillors, with nine confirmed expressions of interest. The site visit took place on the afternoon of 10th April with the following Members attending (main Committee Members highlighted in bold representing 20% of the Committee):

Bates, Batchelor, Criswell, Dupre, Hunt, Jenkins and Wotherspoon.

Feedback received from the Chairman and Vice Chairman was that it had been a very interesting visit and included being informed that the A14 construction ran at a daily cost of £2m and that to run the administrative operation involved 1,500 to 2,000 workers.

The Chairman indicated that if any other Members wished to go on a similar visit they should contact Democratic Services who would make arrangements with the relevant officers.

- **Page 150 seminars still to be arranged item 14 'section 106' and item 15 'new developments'**

Due to the amount of training already undertaken and the nature of the topics, it was agreed at the last meeting that the above outstanding requested seminars should utilise the existing monthly Member seminar programme. It was orally reported that they were not likely to be scheduled till at least the early Autumn, as the programme was already fully booked for the next few months.

One Member again reminded officers that any confirmed seminars should be the subject of a formal invite, and not just by e-mail notification. Another Member made the point that as a number of the Committee worked, it would be appreciated if officers could look at arranging seminars to help accommodate their requirements and avoid if possible, having to take a full day out or if that was the case, it should be on the same day as the Committee, if at all practicable.

It was resolved:

- a) To note the Training Plan.
- b) To request that officers look to arranging future seminars where practicable to either follow on from a meeting of the Committee or to schedule them in the morning or late afternoon to take account of working Members to help avoid them having to take a full day off.

109. ECONOMY AND ENVIRONMENT COMMITTEE AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES

Having received the forward agenda plan as set out in the agenda:

It was resolved:

- a) To note the agenda plan with the following changes since the version published on the agenda:

The following two reports being rescheduled from the 24th May to 14th June Committee.

- Planning Obligations Strategy
- Waterbeach Supplementary Planning document.

- b) That the June reserve date would now be going ahead as a full Committee meeting due to the number of reports that had been added to the agenda.

110. DATE AND TIME OF NEXT MEETING 10 A.M. THURSDAY 24th MAY 2018

**Chairman:
24th May 2018**