

**ECONOMY AND ENVIRONMENT COMMITTEE: MINUTES**

**Date:** Thursday, 15th August 2019

**Time:** 10.00 a.m. – 11.00 a.m.

**Present:** Councillors Ambrose Smith, Bates (Chairman), Harford (substituting for Councillor Connor), Harrison (substituting for Councillor Batchelor), Hoy (substituting for Councillor Fuller), Kavanagh, Tierney, Williams and Wotherspoon (Vice Chairman)

**Apologies:** Councillors Batchelor, Connor, Fuller and Sanderson

**253. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**254. MINUTES – 11TH JULY 2019**

The minutes of the meeting held on 11th July 2019 were agreed as a correct record and signed by the Chairman.

**255. MINUTE ACTION LOG UPDATE**

The Minute Action Log was noted.

**256. PETITIONS AND PUBLIC QUESTIONS**

No petitions or public questions were received.

**257. A605 KINGS DYKE LEVEL CROSSING CLOSURE**

The Committee considered a report detailing the outcome of the stage 1 design contract and the next steps for the project. Attention was drawn to the background, in particular the revised total scheme cost of just under £30 million. The revised benefit cost ratio (BCR) was very high indicating that the scheme would deliver excellent value for money, despite the required budget increase. Members were advised of the delay to the stage 1 design contract, which had only been completed on 17th July 2019, with a target price of £26.2 million, a further £10 million higher than the previous quotation in October 2018. They were also informed of the reasoning behind this increase. External cost consultants had reviewed it and had considered it high compared to similar projects. Given the considerable performance issues the Council had experienced with the stage 1 design contractor, it was not proposed to recommend the awarding of the stage 2 construction contract to the same contractor as the submitted price did not represent good value for money. Instead it was proposed to retender on the open market. It was important to note that there were no guarantees that a more

competitive price could be achieved but this was the only way to demonstrate value for money and accountability to the public purse.

Given the increase in the scope of work required to contract the scheme and the subsequent increase in the estimated cost, it had therefore been appropriate to review the original route selection. Attention was drawn to the three routes and the comparison set out in Table 1. Members were reminded that the public consultation held in 2014 had shown 58% support for route 3. It was noted that the earliest estimated completion date for this route was 2022 compared to 2026 for the other two routes. Routes 1 and 2 also contained significant risks relating to planning and relocating a mechanical signal box. Route 3 was therefore recommended as this would be the quickest and lowest risk option. The Committee was informed that a public exhibition on the scheme held in Whittlesey on 12th August 2019 had attracted 265 visitors. Attendees had been asked to express their views on the routes with 158 out of 181 (87%) stating a preference for route 3.

Members were advised of the procurement options. The design contract was owned by the Council so it was recommended that a re-procurement exercise through a tender to the open market commence on the basis of that design. The tender would follow the Official Journal of the European Union (OJEU) process and the contract would be based on the third and not fourth edition as stated in the report of the New Engineering Contract. A design and build contract was proposed with the new contractor still responsible for design. The tender returns would be assessed based on a 60% price, 40% quality split. It was hoped that this would encourage competitive pricing and deliver potential savings. Attention was drawn to the forward programme and the timeline for construction to be completed in late 2022. Members were advised of the breakdown of the total spend set out in Table 2. The estimated cost of retendering the scheme was around £200k, which would be added to the total scheme cost. As it was likely that additional funding would be needed to make delivery affordable, officers would pursue funding opportunities in parallel with procurement activity. The outcome of the tender process would be presented to the Committee in summer 2020.

Speaking as the Vice-Chairman of Fenland District Council, Councillor Alex Miscandlon welcomed the Committee to the 'Forgotten Town of the Fens' and the only market town in Fenland without a bypass. Whittlesey also had the worst infrastructure for egress for any town in the area, which was due to the Kings Dyke crossing. The crossing discouraged companies from coming to the town when it was closed for up to 38 minutes in an hour day and night. The train operating companies had indicated that delays would increase with more and longer trains expected. With the possibility of the crossing therefore being closed for longer, it was very unlikely that anyone would want to come to Whittlesey. It was hoped to increase the number of businesses in the town by having a better system for getting vehicles in and out, both commercial and domestic.

At the moment there were two systems of getting out of Whittlesey, one was the A605 with the crossing and the other was North Bank and the B1040. However, the B1040 was often subject to flooding and had been flooded for seventeen weeks increasing the traffic on the A605 by 50%, which increased the time taken to get to Peterborough to anything up to three hours in rush hour. Councillor Miscandlon reported that he had experienced this when travelling this route to work for 30 years. It was very frustrating

with people often just turning round in their cars and going home. He explained that these immense traffic jams resulted in pollution on the A605. He highlighted a traffic jam of eleven miles resulting from a closure on the A47. It was noted that the Police automatically directed traffic down the A605 if they had to close the A47, as they had no other option. This was very unfortunate for Whittlesey as together with the crossing being closed for 38 minutes, it resulted in bad traffic management. He therefore implored the Committee to approve option 3 and get on and build it to relieve the people of Whittlesey from this burden.

Speaking as the Deputy Leader of Fenland District Council, Councillor Jan French who was representing the Leader of the District Council, reported that residents who used this road on a daily basis were held up and inconvenienced on all their journeys. It had promised to them for many years and the project needed to be completed once and for all. She was aware that the Council had limited resources as the costings over the years had soared. She hoped that the Committee would chose option 3 and get the tenders in as soon as possible to get the right contractors, as it was important to get it built by 2022.

Speaking as the Leader of Cambridgeshire County Council, Councillor Steve Count, thanked the Chairman for bringing the Committee to Whittlesey. He also thanked the officers for the public event held on 12th August, which had provided him with an opportunity to talk to residents of the area about this much needed project. He explained that when the Keir price had come in both late and high, he had been devastated because all he wanted to do was build the bridge, and that was the view of many people who were supportive of this bridge. He reported that there was considerable pressure on him to put pressure on officers to build at any cost but he could not do that because it was tax payers' money. He explained that given the increase in price and the advice he had received, the price from the contractor could not be deemed to provide value for money without some competitive dialogue. This was therefore the reason why the Committee had received a report to test in an open market what was the right price to build the bridge.

Councillor Count informed the Committee that when he had met local residents not everyone had wanted the bridge built. There were quite a number of people who had tested the possibility of a bypass instead. He acknowledged this view as the bridge would still bring traffic in to the town. However, he could not ask the Committee to consider an open ended project which had not been started and was unfunded at the expense of this project. He had the choice of accelerating the project set out in the report or progressing something that everybody was behind at some distant point in the future. He therefore had to go with the project to build a bridge. He agreed with the officers that the risks associated with routes 1 and 2 were too significant. He acknowledged that going out to tender on option 3 might result in the tenderers coming in at the same price as Keir with the Council having to build at that price. However, he was anticipating that it would be reduced considerably but the only way to find out was to go out to open tender. He therefore endorsed thoroughly route 3.

In terms of the by-pass, he felt that it was project that should be started. The local growth plans and master plans for the towns were moving ahead. The bypass was included in these plans funded by the Combined Authority. Fenland District Council was working on its local plans which would be able to identify how a bypass could work

with development. It was therefore important to look at a bypass but not at the expense of delaying or stopping this project. The bridge was needed now and it was disappointing that another nine months had been lost. However, he was assured by officers if the Committee went ahead with route 3 because the Council owned the land and the design plan, and had the planning permissions and side road orders, the next procurement process would be much easier. Companies tendering for the contract would be asked to check the design plan and take on the risks. He highlighted his local experience of having to cross the railway to get to Peterborough. He therefore understood the frustration for local people and urged the Committee to select route 3 and for the officers to deliver it within the timescale or quicker if at all possible.

The Chairman invited Councillor Harford to read out the following statement on behalf of Councillor Connor, the Local Member:

*“As many of you know I am very passionate about getting the King’s Dyke bridge built as soon as possible - not only because I am the local member, but for the residents of Whittlesey, and of course of Fenland more generally. When completed the bridge will, in my view, bring further prosperity to Whittlesey and Fenland alike which I am sure you will agree will be great for the area. Again as local member I was very pleased to attend the exhibition about the project in Whittlesey on Monday, and meet and talk to so many residents there. I was pleased to see that the vast majority who came along to find out more chose option 3 which is the recommendation in the report. So Members of the E&E committee, I urge you to go along with the officers’ recommendation and the views of the vast majority of local people, and choose option 3, to get the bridge built in the shortest time possible.”*

In discussing the report, one Member acknowledged the importance of the project and the significance of the very high BCR. She highlighted the need to tackle this blockage which was affecting the community and she appreciated the disappointment resulting from the delay. In relation to the issue of cost, she queried the Council’s approach regarding speed. She highlighted the informal policy used to accelerate delivery of the Ely Bypass with speed above cost. This had resulted in costs which were uncertain at the awarding of the contract rising by 33% by the end of the contract. It had been a significant shock for the Council and for the people of Cambridgeshire who would be paying for this cost increase for the next forty years. She was therefore seeking assurances that this could not happen again.

She explained that the Combined Authority had an accelerated delivery policy in its policy suite, which meant that this approach to risk allowed for the prioritisation of speed over cost. She acknowledged that a responsible approach to cost had been taken in the report but it also included deadlines which were being very firmly stated. She reminded the Committee that the cost and the timetable had slipped at Ely. She therefore hoped that there would be a controlled and balanced approach without sacrificing control of cost over the need for speed. She also asked about the form of contract and whether it was the same as the one for the Ely Bypass.

The Assistant Director – Infrastructure and Growth reassured the Committee that the project was following a robust process. There had been no instruction to the contractor to accelerate the design contract but there had been requests to conclude it. The Council was not putting in a programme which was overly risky in terms of timescales.

As Members were aware there was an OJEU procurement process, which would give high assurances of market testing to get the best possible price. The risks would be clearly defined in terms of delivery, and in relation to the design and build element it would be for the contractor to respond to. Any risks remaining with the Council, as well as at the end of the procurement process, would be reported back to the Committee for decision. Whilst deadlines had been clearly communicated, it was very important to have a programme for the completion of the scheme, which included the views of consultants and procurement, and which balanced risks. As a result a robust programme had been prepared which did not have an overly risky approach. The Council wanted the best price and acceleration was more costly. However, it did want to deliver the scheme as soon as possible. In relation to the contract, it would be a New Engineering C Contract and not D as was the case for Ely. It was important to bear in mind that there was greater clarity regarding risks for this project as the design contract had been completed. This would enable the Council to have a robust price in terms of those risks before construction commenced.

Another Member expressed concern that the Combined Authority might not be willing to fund the additional cost of the scheme. He highlighted the comments set out in Section 2.41 which indicated that officers would be pursuing funding opportunities. He therefore asked whether the Combined Authority had given any assurances that it would fund these costs and if not where the officers would be seeking this funding from and if the Council would have to take out another loan. The Assistant Director – Infrastructure and Growth reported that the budget might need to be increased following the outcome of the procurement process. It was noted that the Council was working with the Combined Authority and would continue to work with them over the coming months.

One Member stressed the importance of focusing on the needs of the people of Whittlesey. He drew attention to the fact that the project was unusual in attracting such a high BCR. He reminded the Committee that the Council had been talking to the people of Whittlesey about this project for a decade. The most important issue was therefore to get on and deliver this locally supported project for the people of Whittlesey. He reported that every elected councillor at every level in the area supported this scheme.

The Chairman reported that transport engineers had commented that a BCR of eight was one of the highest they had ever seen. He reminded the Committee that the Council had the land and the design so there was already a lot in place to deliver the timeframe. He reported that it was his intention should the Committee approve the recommendations to come back to Whittlesey to consider the award of the contract following a robust procurement process. He explained that there were other options to explore regarding funding such as Network Rail. He informed the Committee that he was satisfied with the recommendations having walked the area and seen the issues. He drew attention to the issue of flooding which was often the major cause of delays in the area. The project would therefore benefit a bigger area than just Whittlesey. In terms of the bypass, he reported that the Council would be pleased to engage with the local plan processes regarding transport requirements.

Another Member queried how wise it had been to include in the report the additional amount being charged by Keir. She was unsure how much lower the new tenders

would be now that this information had been included in a public document. In spite of this, she urged the Council to get this project completed as soon as possible. One Member acknowledged the points and concerns which had been made as it was important to make decisions based on all the facts. She reported that she had heard from residents of Whittlesey of the need for this project and was also well aware of the need for action based on her own experience. It would benefit Whittlesey as well as provide wider benefits to be accrued across the whole county. She therefore gave full support to the project.

The Chairman reminded the Committee of the safety issues in relation to the closing of crossings. Network Rail had a policy of closing crossings and any crossing which could be closed was good news in terms of safety. Another Member acknowledged the need for the project to go ahead but commended those who had stopped the project to look at the costs. He commented that sometimes when there was such a pressing need for a project the funding coffers were kept open. One Member responded to comments raised in relation to Ely reporting that it had been a very successful project.

It was resolved unanimously to:

- a) Agree that Kier should not be awarded the stage 2 construction contract.
- b) Reaffirm that route 3 remained the preferred route option.
- c) Approve the commencement of a restricted two stage OJEU procurement of a target cost with activity schedule design and build contract in accordance with option (c) in section 2.33 of the report.
- d) Agree the assessment of tender returns based on a 60% - 40% price/quality split.
- e) Agree that officers should consider potential sources of further scheme funding should it be needed as the procurement proceeds.
- f) Delegate to the Executive Director in consultation with the Chairman and Vice Chairman of the Committee, the ability to make minor changes to the procurement process and timeline.

The Chairman thanked Whittlesey Christian Church for hosting the meeting and the public exhibition. He also drew attention to the need to consider how best to communicate with the Town, District, Peterborough City Council and County Council and the wider community. He would therefore be discussing with officers how this could best be achieved. One Member highlighted the need to involve opposition County Councillors as the Council was the lead on this project.

## **258. AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES**

The Committee considered its agenda plan, any requirement for further training and noted no additional appointments to outside bodies were required,

It was resolved unanimously to:

- a) Note its agenda plan attached at Appendix 1.
- b) Note to propose any additional training for the Committee.
- c) Note that no appointments to outside bodies or Internal Advisory Groups and Panels were required to be brought to the attention of the Committee.
- d) Note that Councillor Topping had been appointed to the North Uttlesford Garden Community Local Delivery Board under the agreed delegation to the Executive Director: Place and Economy in consultation with the Chairman and Vice Chairman of the Committee.

**259. DATE OF NEXT MEETING**

10.00 a.m. Thursday 19th September 2019

Chairman  
19th September 2019